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TODAY: SPORTS NFL Action, Pages 19 & 20

THE UNIVERSITY OF JORDAN SERIALS DIVISION

Rothschilds Reunite Across the Channel

French Cousin to Lead U.K. Bank

By Youssef M. Ibrahim
New York Times Service

LONDON — Go back to the 1880s, when the day at Waddesdon Manor, one of more than 45 mansions once owned by the legendary Rothschild banking family, began with a servant entering a guest's bedroom.

Would the guest like tea, coffee or cocoa? If tea, what kind? With milk, cream or lemon? Milk? Would that be Jersey, Hereford or shorthorn? By all accounts, a guest's reception at a Rothschild home is still elegant today. But a certain time in history has passed, and with it the perfect projection of power and generosity found at the dynasty's zenith, when those gently wakened at the 222-room Waddesdon Manor included prime ministers of Britain and a shah of Persia.

The manor, indeed, is no longer a Rothschild home; it went to the National Trust in 1955. The great question now is what is to become of the House of Rothschild itself.

For while any family, business industry can have a bad year, the Rothschilds, financiers of kings and princes when Europe was a royal family affair, have had a bad century.

The fortune has shrunk as world wars battered the Rothschilds' banks; revolution in czarist Russia killed their best client, and French Socialists nationalized their Paris bank.

A 253-year-old banking dynasty whose greatest modern successes have been wines (Chateau Lafite, Chateau Mouton) and vacation resorts (Club Mediterranee), the Rothschilds are now drawing together to show that today's global banks have not eclipsed their family, as nations have done away with kingdoms.

To succeed is more than a matter of banking strategy. Just as important, the English and French branches of the family must be reunited by welcoming the head of the French bank, Baron David de Rothschild, as the next head of the much larger and more prestigious London bank, N.M. Rothschild & Sons. Only a few years ago, that was unthinkable.

In a rare interview here on Friday, David and the man who invited him to cross the Channel, Sir Evelyn Rothschild, the head of N.M. Rothschild, said that the London and Paris banks had become partners again, in a way not seen since the first generations of Rothschilds invented international banking.

Uniting the family to join London's financial expertise with Paris's Continental contacts, Sir Evelyn said, is crucial if the Rothschilds are to adapt to changing financial markets and intense competition from multinational banks.

What changed? The London branch has suffered least from the force of history, but equally from the thinning of the Rothschilds' banking blood. During Sir Evelyn's tenure at N.M. Rothschild, several stellar bankers have left to become successes elsewhere.

N.M. Rothschild was also the unhappy home of Arnschel, who was compelled by his father to carry on the

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Tauseef Mughal/Agence France Presse

PAKISTAN PROTEST — Policemen firing tear gas at backers of Jamaat-i-Islami, an Islamist party, who tried to march Sunday on Islamabad to demand the resignation of Prime Minister Benazir Bhutto. Page 7.

U.S. Solicited Russia for Secret Study On A-Tests

In Post-Soviet Deal, Scientists Detailed 715 Cold War Blasts

By David Hoffman
Washington Post Service

MOSCOW — Less than a year after the collapse of the Soviet Union, a group of Russia's top atomic weapons scientists agreed to sell to the United States a huge secret study of Soviet nuclear weapons testing, providing firsthand information about Cold War events stretching over more than four decades, according to documents and interviews with key Russian participants.

The history project, which was led by Alexander Tchernyshev, a theoretical physicist at Russia's first nuclear weapons laboratory, remains shrouded in secrecy both in Russia and the United States.

But the scope of the project — a detailed, 2,000-page history of 715 Soviet nuclear tests over 41 years — is unprecedented, and appears to have given the United States valuable insights into Soviet military and scientific procedures. It could also help American specialists better prepare to monitor any future nuclear explosions by rogue states that defy a new ban on nuclear tests.

Starting in December 1992, Mr. Tchernyshev and about 200 other scientists wrote the history under contract to the U.S. Defense Special Weapons Agency for a fee of $288,501. At the time, the scientists were suffering economically, and the United States was trying to prevent them from taking their nuclear weapons know-how elsewhere.

The Defense Special Weapons Agency is a Pentagon unit overseeing the U.S. nuclear stockpile. It also provides help in dismantling weapons and combating proliferation in the former Soviet Union.

The information the scientists provided was the objective of a long and costly detection and monitoring effort by the United States during the Cold War. By filling in the gaps, experts said, the history will help the Pentagon better understand Russian procedures, and adjust its systems to allow better monitoring of tests in the future.

A new treaty banning all nuclear tests recently was adopted by the United Nations General Assembly. But one presumed nuclear state, India, has refused to accept it, while Iran, Libya and possibly other countries reportedly continue to pursue programs to develop nuclear weapons.

According to a 10-page outline of the report, much of the work of the Russian scientists appears to have been on scientific themes, such as measurements of radioactivity and the impact of nuclear tests on the environment and people.

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How to (Legally) Get Foreign Gifts

A Shining Example Can Be Found at the Jesse Helms Center

By Ruth Marcus
Washington Post Service

WASHINGTON — When officials at the Jesse Helms Center in North Carolina were searching for contributors several years ago, they decided to tap into a new fund-raising source: foreign governments with interests in the United States.

"He was on the Foreign Relations Committee, and it was felt that there would be countries that would be grateful for the policies he had," said a former staff member at the center, dedicated to honoring the career of Senator Jesse Helms, Republican of North Carolina.

At the time, Mr. Helms was the influential committee's ranking Republican; his top foreign relations aide, Admiral James W. (Bud) Nance, sat on the foundation's board.

After a conversation between Mr. Helms and a high-ranking Taiwan official, the government of Taiwan donated $225,000 in 1993.

The pitch was simple. "Helms usually supported issues they supported," said the former staff member, "and they might want to make a contribution."

It would have been illegal for foreign governments to contribute directly to

Kemp gives pessimistic Republicans a tongue-lashing. Page 3.

the conservative senator. But the foundation, founded in 1988 and housed in a renovated Wingate, North Carolina, antiques store, offered a perfectly legal avenue for foreign governments — and other entities banned from donating to federal candidates — to show appreciation for Mr. Helms's policies.

They have done so with great enthusiasm, according to the center's tax filings. Last year, the filings show, the center's assets totaled $5.2 million and it had one of its best fund-raising years to date. It took in $1.5 million in tax deductible gifts and pledges, more than five times its 1994 receipts.

The center uses this money largely to operate a museum that honors Mr. Helms' career, houses his archives and plays host to conservative speakers.

In the current furor over the influence of foreign contributors and special interests in U.S. political campaigns, particularly over donations to the Democratic Party that the Republicans have seized upon as suspect, the Jesse Helms center illustrates another, seldom reported, avenue for donors who want to curry political favor. By giving to politicians' charitable foundations or favored causes, donors are not subject to federal contribution limits and their donations are usually not required to be made public.

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Living Legacy to Japan From a Young American

By Mary Jordan
Washington Post Service

YOKOSUKA, Japan — Alex Van Cleave, 5, arrived here in August, a collector of rocks and wrappers thrilled about swapping American highways for Japanese bullet trains, and American football for Japanese sumo.

The blond-haired boy climbed inside giant Buddhas near Tokyo and quickly picked up the language, delighting in using "*doomo arigatoo*" for "thank you" and relishing the mastery of each new sentence.

But five weeks after he arrived, on the first day he rode the school bus, he stepped off the bus into a rainy Monday morning and somehow fell in front of the school door. Although he had only tiny abrasion on his chin, the fall damaged his brain stem, and after a second or two of crying out, he was unconscious. He never woke up.

"On Monday he was fine; on Friday he was dead," said his father, Commander William Van Cleave, who is stationed at the Yokosuka U.S. Naval Base, where the accident occurred. "There are endless questions you can ask. Kids fall all the time. Why didn't he just knock his teeth out? Why didn't he just get a bloody nose?"

As Alex's family begins to cope with the loss, they are surprised by an unexpected consolation: Their son has become a hero in Japan. His kidneys were transplanted to two Japanese youths, one 9, the other, 19, saving their lives. And his case has advanced a new movement here to use American donor organs from U.S. military hospitals to pressure, if not embarrass, the Japanese government into legalizing heart, liver and other transplant operations that are now banned.

Last week, a group of 4,000 Japanese doctors, fed up with the refusal of Japanese lawmakers to permit surgeons to take organs from brain-dead patients, announced an imminent agreement with U.S. military hospitals here that would make cases like Alex's the rule, rather than the exception. If American hospitals and donors can save lives, the doctors say, then the Japanese should do it, too.

"It would be wrong to let things stay as they are," said Kikuo Nomoto, a physician and director general of the Japan Society for Transplantation. He said the medical community is in "deep despair" because so many people are dying here from the lack of operations routinely available in other countries.

"Our purpose is not to do one or two experimental transplants, but to establish a whole new system," he said.

Japan stands apart from virtually every other advanced country with its refusal to legally recognize brain death. That effectively bans heart transplants, and most

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AGENDA

Tamils Blame Colombo in 2 Deaths

PARIS (Reuters) — Sri Lankan Tamils said Sunday that two of the insurgent group's officials were shot dead in Paris and blamed the killings on Tamils collaborating with the Colombo government. A Paris police spokesman said the two Tamils were shot overnight by a man who escaped.

A statement by the Liberation Tigers said the killings were part of the Sri Lankan government's attempt to hit the rebels' finances. Colombo has said it believes the rebels are financed through funds extorted from expatriates.

Japanese Coalition Attempt Stalls

Prime Minister Ryutaro Hashimoto of Japan is having unexpected difficulties getting a parliamentary majority, and his Liberal Democratic Party looked increasingly likely Sunday to go it alone as a one-party minority government. His former partners, the Social Democrats, are demanding concessions, including the abolition of corporate political contributions, which the Liberal Democrats find unacceptable. The conservative New Frontier Party also seemed unlikely to join a coalition attempt. (Page 4)

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'Berlin Wall' of the Mind Keeps Germans Divided

By William Drozdiak
Washington Post Service

BERLIN — Nearly seven years after the collapse of the Berlin Wall, the two parts of reunified Germany, rather than merging into a cohesive and powerful nation in the heart of Europe, seem to be growing more alienated from each other.

The landscape in the former German Democratic Republic in the East has been dramatically transformed by $700 billion in revenue transfers from the West.

Gleaming shopping malls, state-of-the art telephone systems and modern power stations have displaced much of the antiquated infrastructure from Communist days. The thick haze of pollution and acrid scent of brown coal have nearly vanished.

But "the Wall in people's minds," a popular phrase used to describe the psychological barrier that lingers after four decades of the Cold War, continues to thwart the integration of East and West, according to a broad array of Germans, including politicians, entrepreneurs, psychologists and social researchers.

"Our central problem right now is a mental one," said Rita Suessmuth, the speaker of the Bundestag, the lower house of Germany's Parliament.

Even Chancellor Helmut Kohl, who promised something akin to a 20th-century Renaissance when he pressed ahead with his country's reunification five years ago, has tempered his ebullient optimism about the task of meshing two peoples raised under rival capitalist and Communist regimes.

"An uncomfortable road lies ahead of us," Mr. Kohl told his compatriots on the anniversary of German unity earlier this month. "The construction of a new Germany with the states in the East will last many more years and require a lot of strain and effort."

Westerners say they have become fed up with paying high taxes to prop up living standards for their cousins in the East, whom they consider lazy and ungrateful. After bearing the heavy costs of unity for several years without much grumbling, a backlash is developing

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Newsstand Prices

Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 Riels
Egypt	E£ 5	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Greece	350 Dr.	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1,250 Din
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20

One From the Heart: Yankees Win the World Series

By Thomas Boswell
Washington Post Service

NEW YORK — Charlie Hayes reached into the Atlanta Braves dugout for the foul ball that could win the World Series for the New York Yankees. He stretched, leaned and finally crashed down the steps — the ball still inches from his glove.

All of Yankee Stadium gasped, then groaned.The scoreboard still showed New York 3, Atlanta 2. And in the Yankees dugout, Manager Joe Torre reached his wit's end. He had eaten so much lucky candy in this tense game that, when he argued a call, the umpire Jim Evans said, "Joe, are you wearing lipstick?" So Torre had switched to gum. Now, he thought about a visit to his pitcher, John Wetteland, on the mound.

Before Torre could move, ancient bench coach Don Zimmer pulled him back in his seat. "Don't worry about it," said Zimmer. "This one is for Frank."

And it was.

Mark Lemke hit the next pitch almost exactly like the previous one. This time, Hayes caught it. Joe's brother Frank may have a new heart — transplanted on Friday — but even a 28-year-old pimp can't stand too many games like this one.

When that final popup landed, Yankee Stadium exploded. Paul O'Neill did a full somersault over the mountain of pinstriped ballplayers piled on the pitcher's mound. Darryl Strawberry led his entire team in a victory lap around the ballpark. And Wade Boggs climbed up behind a cop on horseback for a ride around the warning track.

Even that victory lap, a unique touch in baseball history, was Joe Torre's idea — his last gift to his team. "You don't think you can possibly feel any better," said Wetteland, a reliever whose four saves got him the most valuable player award, "but looking up at those stands was unbelievable."

Everywhere in this town, hearts beat hard and fast. And millions of minds thought of the Torre brothers from Brooklyn and their twin ordeal — Joe, waiting 32 seasons to reach a World Series, and Frank waiting 72 days at the top of the transplant list, worrying every day that his fourth heart attack might arrive. After all, in June, the Torres' other brother, Rocco, thought to be in good health, suddenly had a heart attack and died.

For more than 75 years, the New York Yankees have stood for power and money, dominance and intimidation. There's a reason "Damn Yankees" got made. Now, finally, the '96 Yankees stand for things that almost everybody approves: heart, second

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Jeff Christensen/Reuters

Joyous New York Yankees celebrating their World Series triumph over Atlanta. Series coverage, Page 20.

Doctor-Assisted Suicide / **'A Shameful Day'**

Australia Ponders Right to Die

By Michael Richardson
International Herald Tribune

SYDNEY — Peter Weiss is 47 years old and wants to die. He has a brain tumor that doctors say will almost certainly kill him.

No longer able to work, Mr. Weiss says he suffers constant pain that drugs don't relieve. "I take tablets for sleeping but I can't sleep," he said. "You become a husk. Your body is there, yet you are in a living death. If voluntary euthanasia was available, I would go straight away."

Mr. Weiss lives in Sydney, capital of New South Wales state, where doctor-assisted suicide is illegal. But the passage of a suicide law in another region of Australia, the sparsely populated Northern Territory, has focused new attention on the plight of those who, like Mr. Weiss, suffer from a terminal illness.

In July, the territory became the only place in the world to legalize medically assisted suicide. That was when a law, known as the Rights of the Terminally Ill Act, came into force after it was approved by the local legislature.

Under the law, an eligible patient must be over 18, terminally ill and in unbearable pain or suffering. He or she must personally contact a doctor in the territory and ask for euthanasia.

If the doctor agrees that the patient is eligible, further approval must be obtained from a specialist in the particular disease and a psychiatrist must examine the patient to ensure that he is not suffering from depression and is competent to make decisions.

Last month, Bob Dent, 66, who was living near Darwin and suffered from advanced prostate cancer, became the first, and so far only, person to use the law to end his life.

At Mr. Dent's request, Philip Nitschke, a doctor in Darwin who has developed a computer-guided system for administering a painless but lethal dose of drugs, connected him to the machine by an intravenous tube. Within seconds of starting the flow of drugs, the former carpenter fell asleep; a few minutes later he was dead.

Now Australia is in the midst of an agonized debate over the new law and whether it should be extended to other parts of the country or abolished.

On Monday, the federal Parliament in Canberra is to start debating a bill that would override the Northern Territory law. The outcome of the debate is uncertain, with legislators having been freed to vote their consciences instead of following party instructions as is standard in a parliamentary democracy.

The law faces a separate challenge in Australia's High Court, where a coalition that includes Christian and medical groups is seeking to have it declared unconstitutional.

Christian groups involved in the court challenge argue that human life is sacred and must be preserved in all but the most exceptional circumstances. Organizations representing medical practitioners say that doctors are dedicated to saving lives and should not be made responsible for deciding whether a request for an assisted suicide is legal.

'Your body is there, yet you are in a living death. If voluntary euthanasia was available, I would go straight away.'

Opponents to euthanasia have also expressed concerns about the potential for abuse if mercy killing becomes widely available.

Yet opinion polls show that about three in four Australians support voluntary euthanasia.

THE DEBATE in Australia, where an increasingly large segment of the population of 18 million is over 60, is being closely watched overseas by advocates and opponents of voluntary euthanasia, especially in Western countries and Japan, where societies are also aging quickly. The United States Supreme Court plans to issue a decision by July on doctor-assisted suicide laws.

Peter Baume, professor of community medicine at the University of New South Wales in Sydney, said that drug treatments for pain in terminal illnesses, or palliative care, were valuable and had recently been improved.

But, he said, there were "perhaps 5 percent of people for whom even the best palliative care does not relieve symptoms, and there are some symptoms for which relief can only be obtained at the cost of loss of consciousness or loss of personality."

Mr. Baume said that since many doctors already quietly practice euthanasia, there was a need for regulation. In the United States, for example, Dr. Jack Kevorkian, who has acknowledged helping more than 40 people to die since 1990, has been criticized as helping people to die without a thorough understanding of their illness or an informed conclusion that they are in a terminal state. And in the Netherlands, where euthanasia is practiced though technically illegal, surveys find that a substantial proportion of patients who are helped to die have not been asked their preference.

BEFORE HE died, Mr. Dent wrote a letter defending his decision to take his life. "If you disagree with voluntary euthanasia, then don't use it, but please don't deny the right to me," he wrote, adding that no religious group should "demand that I behave according to their rules and endure unnecessary intractable pain until some doctor in his omniscience decides that I have had enough and increases the morphine until I die."

However, Edward Clancy, Sydney's Catholic archbishop, said that Mr. Dent's death was "a shameful day for Australia."

A spokesman for the archbishop warned that the Northern Territory law was a potential threat to those who were ill and weak. "It puts at risk those who are vulnerable, particularly those suffering dementia," the spokesman said. "Then there will be a very strong temptation to use euthanasia on economic grounds" to rid society of those who seem to be a burden.

Many doctors also have concerns about a law that approves euthanasia.

"Our view remains that we should be advising society that it is simply not safe to have in place legislation which authorizes doctors to kill people," said Dr. Keith Woollard, president of the Australian Medical Association.

Michael Epstein, honorary secretary of the Royal Australian and New Zealand College of Psychiatrists, said that although the society had taken no position on voluntary euthanasia, it was concerned about two aspects of the Northern Territory law.

He said that the law placed "a tremendous burden" on the doctors. It also limited the role of the psychiatrist to deciding whether or not the patient was suffering from treatable depression, when there were also other mental illnesses that could affect a person's judgment, he added.



The Associated Press

Dr. Philip Nitschke, who took part in Australia's first legal assisted suicide, in his office with his lethal drug-delivery system. "Individuals have the right to die in dignity and without undue pain," he says.

Q&A / Philip Nitschke

When Life Seems Worse Than Death

In the first legal doctor-assisted suicide in Australia, Dr. Philip Nitschke last month connected a computerized death machine to a cancer sufferer, Bob Dent, so that he could administer lethal drugs to himself. Dr. Nitschke talked to Michael Richardson of the International Herald Tribune.

Q. Why have you campaigned so strongly for the right to die?

A. It seemed to me that there was a need for doctors to stand up and be counted on this important issue. Australia is an aging society. There is a small but increasing percentage of people who are terminally ill and cannot easily obtain relief from modern palliative drugs and care.

Some of them wish to turn to voluntary euthanasia to end their suffering and indignity. The only place they can do that at present is in the Northern Territory.

Q. Does the territory's voluntary euthanasia law have sufficient safeguards against possible abuse by patients, doctors or anyone else?

A. It certainly does. Indeed, one could argue that it has too many safeguards. The legislation is almost unworkable because of the need to obtain the signatures of specialist doctors, which are very difficult to get in the territory. It is isolated, sparsely populated and has only a small number of such specialists.

The idea that a person has to be over 18 years of age, terminally ill, in pain and get the signature of three doctors before they can go into the waiting period and eventually seek death under the act makes for a very safe system — so safe that there has only been one patient so far who has been able to satisfy its conditions.

Q. Before Bob Dent's death, a previous attempt by you to help a terminally ill Australian commit suicide was prevented because he could not persuade a specialist doctor and a psychiatrist to approve his wish to die. What does this say about the attitude of the medical profession to voluntary euthanasia?

A. The profession as a whole, especially through the Australian Medical Association and various specialist colleges, has been quite hostile to the act. It's not universal. There are supportive doctors.

But the widespread opposition within the medical profession is the legislation's greatest weakness.

Q. Why is there such hostility?

A. I suspect it has to do with the fact that voluntary euthanasia represents a shift in the power balance between patients and doctors in favor of patients.

Q. What do you say to critics of the Northern Territory law in the Catholic Church and elsewhere who insist that the sanctity of life is absolute?

A. The Catholic Church can hold those beliefs. But it should recognize that not everyone subscribes to them.

Many of us think that individuals have the right to die in dignity and without undue pain.

Q. You are pessimistic about the chances of the Northern Territory law to survive challenges to it in Parliament and the courts. Still, is the law likely to provide a model for voluntary euthanasia elsewhere in the world?

A. The longer it stays in position and the more it can be shown to be a responsible piece of legislation without abuse or excess, the more likely its influence will spread.

Even if it is struck down, it still would have represented a considerable achievement and will ultimately facilitate the passage of similar laws elsewhere.

Angry Thousands in Ontario Protest Slashes in Canada's 'Caring Society'

By Anthony DePalma
New York Times Service

TORONTO — Canadians do not easily take to the streets; it's just not their way. But thousands of angry people paralyzed parts of Canada's largest city Friday and Saturday to protest government actions that they say threaten the core of what Canada stands for.

The target of the protests was the new provincial government and its leader, Mike Harris, who has become a darling of Wall Street by slashing almost $1 billion from Ontario's budget, dropping more than 180,000 people from welfare rolls and promising to shrink income taxes 30 percent. Eventually, spending cuts will reach nearly $6 billion, but it will mean closing hospitals, raising university tuition and laying off civil servants, among other measures.

Labor unions and community groups wanted to send Mr. Harris a message that they considered the cuts mean-spirited and thought they had gone too far.

Most of Canada's 10 provinces have adopted the same theme: tax cuts and smaller government. The federal government has done its own share of hacking.

"These are the marks of a caring society and — no offense — what sets us apart from the United States," said Linda Torney, an organizer of the protest called "Days of Action." She said that many of those who picketed had never joined a protest before.

Prodded by labor unions, which had their own complaints with the Ontario government for repealing anti-scab-hiring laws, thousands of Canadians in the largest province have taken to the streets of London, Hamilton and other cities.

The protests have exposed a deep division in Canadian society, said Neil Nevitte, a University of Toronto political scientist, who has written a book about Canadian values. Deference to authority is declining, and Canadians are growing feistier as they seek more control over their lives, he said.

"What's going on," he said, "is a fundamental battle over the size and scope of the welfare state in Canada," which is likely to be played out on a national level in next year's elections.

It is not surprising that the Ontario government does not see it that way. "Yes, it's a big protest," said Paul Rhodes, a spokesman for Mr. Harris, "but there are no surprises here." Mr. Harris ran on a campaign promise to cut spending, cut taxes and reduce welfare, and he did it, Mr. Rhodes said.

The image of noisy street protests is jarring in such an orderly city, named last week by Fortune magazine as the best place in the world in which to live and work. "We say 'excuse me' and smile at the people who pass us on the way to work," said Melanie Exner, a member of the Ontario Teachers Federation. But that should not be mistaken for consent, she said. "I won't just sit quietly by as our country is changed without our consent."

TRAVEL UPDATE

3-Star Restaurant Wins Reprieve

VEYRIER-DU-LAC, France (AP) — The chef Marc Veyrat has reopened his three-star restaurant here in the Alps, bailed out by the banks that had briefly put him out of business.

Mr. Veyrat, renowned for his gastronomic delicacies prepared with wild, mountain herbs, said in September he had not been able to renegotiate terms on $9 million in loans for renovations. The banks relented, approving a financial package that allowed the Auberge de l'Eridan to reopen Saturday.

The U.S. State Department has warned Americans against traveling in the northern and southern Kivu regions of eastern Zaire, including the cities of Goma, Bukavu and Uvira, citing deterioration of the security situation there. *(Reuters)*

Emirates, the United Arab Emirates airline, inaugurated service between Dubai and Kuala Lumpur on Sunday, with flights via Dhaka also scheduled on Tuesdays and Thursdays. *(AP)*

This Week's Holidays

Banking and government offices will be closed or service curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Cyprus, Czech Republic, Greece, Ireland, New Zealand, Syria.
TUESDAY: Turkey.
THURSDAY: Germany, Ivory Coast, Slovenia, Taiwan.
FRIDAY: Algeria, Andorra, Austria, Belgium, Benin, Bolivia, Brazil, Burkina Faso, Burundi, Central African Republic, Chad, Chile, Congo, Croatia, France, Gabon, Germany, Guatemala, Guyana, Haiti, Italy, Ivory Coast, Lebanon, Liechtenstein, Lithuania, Luxembourg, Madagascar, Mauritius, Monaco, Peru, Philippines, Poland, Portugal, Rwanda, Senegal, Slovakia, Slovenia, Spain, Switzerland, Togo, Vatican City.
SATURDAY: Angola, Belarus, Bolivia, Brazil, Ecuador, El Salvador, France, Liberia, Macau, Mexico, Nicaragua, Sweden, Uruguay, Vatican City.

Sources: J.P. Morgan, Reuters, Bloomberg.

Germany Converges on Cult

Reuters

ERFURT, Germany — Leaders of the 16 regional states in Germany have said they wanted to study whether the Church of Scientology should be placed under surveillance by the government's anti-extremist watchdog agency.

At the end of a two-day conference Friday in the eastern city of Erfurt, state premiers also said they would ask the federal government to set up a central coordination office to gather information about Scientology.

The Church of Scientology said the states' proposals were chilling.

"It is astonishing and frightening to see how the states are trampling on basic human rights," said Franz Riedl, a spokesman for the Scientologists in Hamburg.

The premiers asked their ministries to explore whether the organization should be monitored by the anti-extremist Federal Office for the Protection of the Constitution.

Two southern states, Bavaria and Baden-Wuerttemberg, said they also wanted the ministries to consider banning Scientology members from public service nationwide.

The sect says it has about 30,000 German members. The government puts the real figure at between 10,000 and 20,000.

Scientology, founded in 1954 by an American science fiction writer, L. Ron Hubbard, gives would-be members personality tests and offers courses and literature to help them realize what the church describes as their full potential.

Germany has stricter regulations on church status than the United States, and has refused to register Scientology as a religion.

Last week, Scientology blasted recent moves to limit its activities in Germany, saying in an advertisement in The New York Times that Bonn used Nazi-style tactics against it. Bonn rejected that charge as absurd, saying it insulted the millions of Jewish victims of the Nazi Holocaust.

WEATHER

Forecast for Tuesday through Thursday, as provided by AccuWeather.



North America
A storm system over the Upper Midwest will bring showers and thunderstorms to Chicago and St. Louis Tuesday. Sunny and dry in Philadelphia, New York and Boston Tuesday and Wednesday. Some showers are expected along the East Coast Thursday. Cold over the northern Plains.

Europe
London will be partly sunny and seasonable Tuesday and Wednesday, then windy and cooler with showers Thursday as a storm brings high winds and snow to Scotland. Mild in Poland Tuesday, but cold air plunging south into Germany will move into Poland by Thursday. Sunny and mild in Spain.

Asia
Mild in Beijing Tuesday with showers likely, then dry and colder with some sun. Seoul will also be mild with showers on Tuesday, then cloudy and windy with a cold rain; soaking rains are likely across parts of Korea Wednesday and Thursday. Partly sunny and pleasant in Hong Kong.

Europe

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Algeria	23/73	14/57 s	22/71	14/57 pc
Amsterdam	15/59	9/48 r	13/55	4/39 r
Ankara	5/41	1/34 sh	8/46	2/35 c
Athens	15/59	11/52 pc	18/64	14/57 c
Barcelona	22/71	15/59 s	21/70	9/48 c
Belgrade	11/52	10/50 r	17/62	11/52 c
Berlin	13/55	10/50 r	15/59	7/44 r
Brussels	15/59	9/48 c	13/55	3/37 r
Budapest	9/48	9/48 r	17/62	11/52 c
Copenhagen	12/53	12/53 r	13/55	7/44 r
Costa Del Sol	25/77	14/57 s	22/73	14/57 s
Dublin	17/62	11/52 c	11/52	5/41 pc
Edinburgh	16/61	7/44 r	8/46	2/35 pc
Florence	16/64	11/52 c	16/64	12/53 r
Frankfurt	13/55	9/48 r	14/57	8/46 r
Geneva	16/61	8/46 pc	13/55	3/37 r
Helsinki	6/43	4/39 r	8/46	6/43 r
Istanbul	9/48	5/41 r	13/55	8/46 pc
Las Palmas	27/80	20/68 s	28/79	19/66 s
Lisbon	21/70	14/57 pc	19/66	12/53 pc
London	17/62	9/48 c	12/53	4/39 r
Madrid	24/75	9/48 pc	19/66	5/41 pc
Mallorca	21/70	16/61 s	22/71	10/50 c
Milan	17/62	9/48 pc	17/62	6/43 r
Moscow	4/39	-2/29 pc	4/39	-2/29 s
Munich	12/53	6/43 r	14/57	3/37 r
Nice	20/68	14/57 pc	21/70	11/52 s
Oslo	9/48	8/46 r	9/48	1/34 r
Paris	15/59	8/46 c	10/50	3/37 r
Prague	11/52	7/44 r	13/55	4/39 r
Reykjavik	-2/29	-4/25 pc	-2/29	-5/24 sn
Rome	18/64	12/53 c	21/70	13/55 pc
St. Petersburg	6/46	3/37 pc	7/44	5/41 r
Stockholm	9/48	7/44 r	12/53	6/43 r
Strasbourg	16/61	9/48 pc	14/57	4/39 c
Tallinn	7/44	6/43 r	8/46	7/44 r
Vienna	17/62	11/52 c	18/64	10/50 c
Vilnius	11/52	10/50 r	16/61	8/46 c
Warsaw	9/48	8/46 r	14/57	7/44 c
Zurich	15/59	8/46 pc	14/57	5/41 r

Middle East

Abu Dhabi	33/91	19/66 s	34/93	20/68 s
Beirut	17/62	14/57 r	17/62	13/55 c
Cairo	22/71	12/53 pc	21/70	12/53 pc
Damascus	17/62	7/44 pc	17/62	7/44 pc
Jerusalem	16/61	6/46 pc	15/59	7/44 pc
Luxor	28/82	8/46 s	29/82	9/48 s
Riyadh	36/97	15/61 s	36/97	18/64 s

Asia

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Bali	31/88	23/73 pc	32/88	23/73 pc
Bangkok	32/89	23/73 c	31/88	24/75 t
Beijing	21/70	9/48 s	21/70	9/48 sh
Bombay	31/88	21/70 pc	31/88	21/70 s
Calcutta	27/80	20/68 r	28/82	22/71 r
Chiang Mai	33/91	22/71 c	31/88	22/71 t
Colombo	29/84	23/73 pc	29/84	22/71 pc
Hanoi	30/86	23/73 s	31/88	24/75 pc
Ho Chi Minh	32/89	24/75 sh	32/89	25/77 c
Hong Kong	28/82	23/71 s	28/82	23/73 pc
Islamabad	34/93	12/53 s	36/97	14/57 s
Jakarta	31/88	23/77 t-	32/89	24/75 c
Karachi	37/99	18/64 s	39/102	21/70 s
K. Lumpur	32/89	23/73 t	32/89	23/73 s
K. Kinabalu	30/86	23/73 t	31/88	21/70 s
Manila	32/89	23/73 t	31/88	23/73 pc
New Delhi	36/97	13/55 s	36/97	14/57 s
Phnom Penh	30/86	25/77 c	32/89	23/73 t
Pinatubo	32/89	23/73 c	31/88	24/75 t
Rangoon	32/89	23/73 c	30/86	24/75 t
Seoul	17/62	8/46 pc	21/70	11/52 sh
Shanghai	22/71	14/57 pc	24/75	21/70 pc
Singapore	31/88	23/73 t	31/88	22/71 c
Taipei	27/80	23/73 pc	28/82	23/73 r
Tokyo	18/64	13/55 r	21/70	12/53 pc
Vientiane	29/84	23/73 s	31/88	25/77 pc

Africa

Algiers	28/79	13/55 s	27/80	13/55 s
Cape Town	19/66	9/48 pc	22/71	13/55 s
Casablanca	26/78	14/57 s	25/73	14/57 s
Harare	30/86	9/48 s	32/89	9/48 s
Lagos	30/86	23/71 pc	29/84	22/71 pc
Nairobi	22/80	14/57 pc	27/80	13/55 pc
Tunis	22/71	12/53 pc	26/79	15/59 s

North America

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Anchorage	-2/29	-8/18 pc	0/32	-3/27 sn
Atlanta	28/79	15/59 c	26/77	14/57 pc
Boston	19/64	4/39 pc	13/55	3/37 pc
Chicago	14/57	5/41 s	18/64	9/48 c
Dallas	22/71	17/62 r	24/75	13/55 pc
Denver	10/50	-2/29 pc	12/53	-4/25 pc
Detroit	14/57	3/37 s	14/57	7/44 pc
Honolulu	31/88	24/75 s	29/84	24/75 pc
Houston	29/84	19/66 pc	28/82	16/61 pc
Los Angeles	21/70	11/52 s	23/73	12/53 pc
Miami	29/84	22/71 pc	29/84	23/73 pc
Minneapolis	13/55	3/37 s	13/55	3/37 r
Montreal	10/50	-3/27 c	7/44	3/37 s
Nassau	28/82	22/71 pc	28/84	23/73 pc
New York	19/66	5/41 pc	16/61	9/48 s
Orlando	30/86	19/66 pc	29/84	19/66 pc
Phoenix	38/99	9/48 pc	23/73	10/50 s
San Fran.	21/70	9/48 s	18/64	9/48 s
Seattle	11/52	5/41 r	9/48	1/34 pc
Toronto	9/48	1/34 pc	14/57	9/48 s
Vancouver	13/55	8/46 pc	14/57	3/37 s
Washington	21/70	8/46 pc	16/61	8/46 pc

Latin America

Buenos Aires	28/79	12/53 s	26/79	15/59 pc
Caracas	32/89	24/75 pc	32/89	25/77 pc
Lima	20/68	14/57 c	20/68	18/59 pc
Mexico City	23/73	11/52 c	23/73	11/52 s
Rio de Janeiro	34/75	14/57 sh	29/71	14/51 t
Santiago	30/86	11/52 s	29/84	12/53 s

Oceania

Auckland	16/61	10/50 r	19/66	15/59 r
Sydney	24/75	14/57 s	22/71	13/61 s

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hca, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. ©1996

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THE AMERICAS

Kemp Upbraids the Party As Resigned to Dole Loss

By Brian Knowlton
International Herald Tribune

WASHINGTON — With the presidential election fast approaching and President Bill Clinton's lead appearing insurmountable, Jack Kemp, the Republican vice presidential candidate, lashed out Sunday at party colleagues who appear resigned to a Clinton victory.

Separately, Ross Perot, the Reform Party presidential candidate, denied that he might still be thinking of dropping out of the race in favor of Bob Dole, the Republican candidate.

Mr. Kemp's comments came as some Republican leaders, now persuaded that the Dole-Kemp ticket has no chance of winning, have called for a change in tactics: They say voters should be urged to support Republican congressional candidates lest the Democrats end up controlling not just the White House but Congress as well.

"I am going to say out of disappointment with some of my Republican establishment friends," Kemp said on CBS, "their criticism of Bob Dole is not only unhealthy for a great cause, but it is disappointing."

He said it was "unbelievable to hear that some Republicans would run away at this moment of need for a man who has been a hero his whole career."

It was a surprisingly public recognition of division atop the party in the face of opinion polls that consistently show Mr. Clinton leading Mr. Dole by double-digit margins.

Mr. Perot, while insisting he would not bow out of the race in favor of Mr. Dole, nonetheless used words almost identical to those employed by the Republican candidate in heaping scorn on the Democratic administration about its ethics.

"Why is there no sense of shame about all this in our country?" Mr. Perot said on NBC. "Why is there no sense of outrage?"

Mr. Dole, too, has seized on the ethics question, raising angry questions not just about the Clinton administration but about the public's seeming indifference to such matters. "Where's the outrage in America?" he has asked repeatedly.

In another phrase reminiscent of Mr. Dole's campaign language, Mr. Perot said that the American people needed as president "someone who has core convictions, core beliefs."

"We've got to get away from people who have to take a poll to figure out what they stand for," he said.

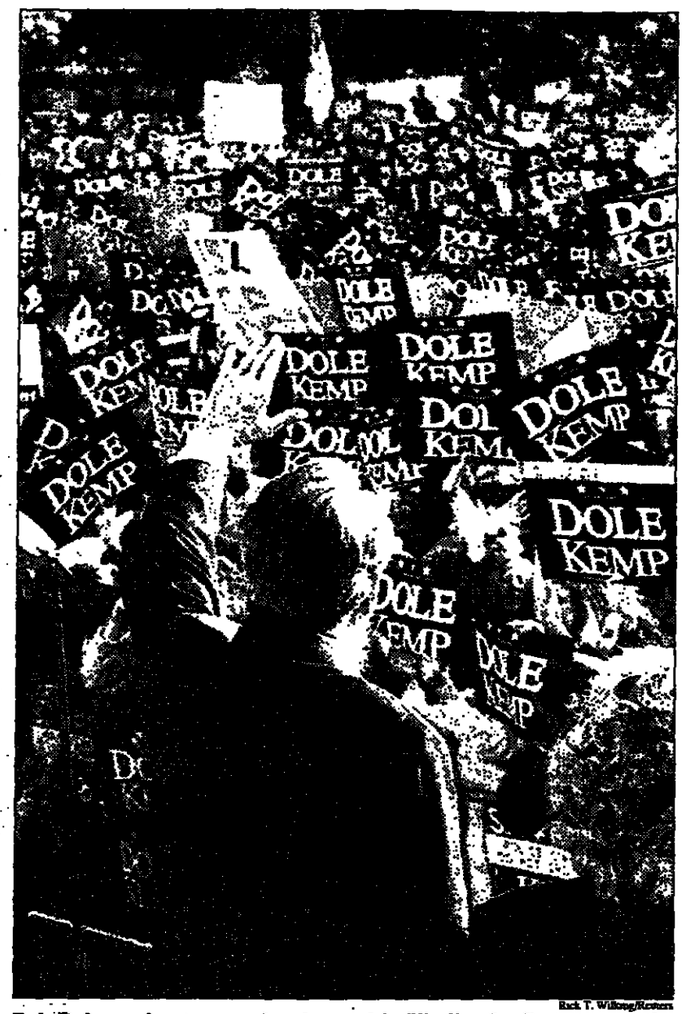
The Dole campaign manager, Scott Reed, met with Mr. Perot in Dallas on Wednesday to ask the billionaire businessman to endorse the Republican. Mr. Perot has said since then that he is in the race to the end. But his rhetoric has taken on a sharp anti-Clinton edge.

Mr. Reed, asked Sunday on NBC if had asked Mr. Perot to step up his attacks on Mr. Clinton, replied: "I didn't need to ask him. He knew exactly what's wrong with this president."

He hinted that Mr. Perot might yet bow out. Questioned about the evident failure of his Dallas mission, Mr. Reed said of Mr. Perot, "He's in the race for now; we'll see what happens."

Separately, Mr. Dole's national chairman, Donald Rumsfeld, said that there was nothing embarrassing about the Reed mission, which Democrats described as an act of desperation. "Is that embarrassing?" he asked on CNN. "That's politics — it's what you do."

He asserted that Reform Party voters could provide the victory margin for Mr. Dole in important states like Ohio and Michigan. Mr. Perot's support has hovered in the single digits in most opinion polls.



Rick T. Wilking/Reuters

Bob Dole waving to a weekend crowd in Visalia, the first stop on the Republican's campaign bus trip through California's Central Valley.

Freshmen Republicans Are a Special Target

Key to the House for Democrats

By John E. Yang
Washington Post Service

BELLAIRE, Ohio — Democrats predominate in this hardscrabble area of eastern Ohio across the Ohio River from West Virginia, heavily populated with unionized coal miners and steel mill workers.

President Bill Clinton is leading in the polls here — but so is Representative Robert W. Ney, a Republican freshman and consistent supporter of Newt Gingrich, the House speaker, and his agenda.

Mr. Ney and his three fellow House Republican freshmen from Ohio hold the kind of seats Democratic officials say they must win if they are to regain control of the House — first-term lawmakers in competitive districts the Republicans narrowly took from Democratic incumbents in the electoral tide of 1994.

With just over a week before Election Day, control of the House is still up for grabs with the outcomes in doubt in nearly one-third of this fall's races. In a normal election year, only about half that many fall into that category this late in the campaigns.

Among the most closely watched are those that involve House Republican freshmen, whom Democrats and their allies in organized labor and the environmental movement consider the most vulnerable targets.

Next to the first race, the toughest and most crucial election for a House member is the first run for re-election.

"Anyone can be elected once by accident," Sam Rayburn, the storied House speaker, counseled new lawmakers. "Beginning with the second term, it's worth paying attention."

By focusing on defeating the most vulnerable of the 70 Republican freshmen who are seeking re-election, Democrats hope to gain enough seats to more than offset likely Republican victories in seats being relinquished by retiring Southern Democrats and achieve the net gain of 19 seats they need to take back the House.

This year, analysts consider the races of about a dozen of the Republican freshmen from California to New Jersey as toss-ups with no clear favorite. They give Democratic challengers the edge against another dozen or so freshmen from Washington to North Carolina.

Stuart Rothenberg, an analyst who publishes a newsletter tracking congressional races, said the most likely outcome was a Democratic gain of 10 to 15 seats — not enough to win the House. But, he noted, the possible results range from Democratic gains of as few as 5 seats to as many as 30.

In this political swing state, three of Ohio's four Republican freshmen — Mr. Ney and Representative Steve Chabot and Steven C. LaTourette — have lately solidified leads over serious Democratic challengers. The fourth, Representative Frank A. Cremeans, trails the Democratic incumbent he ousted two years ago in his sprawling southern Ohio district.

But Republican officials express concerns that a big victory for Mr. Clinton in the state could pull some of those Democrats to victory along with him. Mr. Clinton has an eight-point lead in the University of Cincinnati's Ohio Poll issued over the weekend.

"If it goes big for the top of the Democratic ticket, we could get swept up in that tide," Mr. LaTourette said last week. Just less than half of the votes in his district come from Cleveland's heavily Democratic Cuyahoga County. The Ohio Poll found Mr. Clinton had a 19-point lead in that area.

In addition to Mr. Cremeans, Martin R. Hoke, a second-term Representative, is in serious trouble as he faces his first scandal-free opponent in his heavily Democratic Cleveland-area district.

Long pivotal in the presidential race, Ohio's results this year could be important in determining control of the House.

"If the Democrats win just one seat here, the Republicans are going to hold on to the House," said Herb Asher, an Ohio State University political scientist. "If they win two, it will be a very narrow margin. But if the Democrats can pick up three, the Democrats are very likely going to win the House."

All four of Ohio's House Republican freshmen are from politically competitive districts and all won election in 1994 with less than 56 percent of the vote.

The difference in their political health this year lies in how familiar voters were with these men before 1994 and what they have done in their first House terms.

Unlike Mr. Cremeans, owner of a concrete mix supply company, each of the other three had been elected officials in their districts and worked hard over the last two years to establish themselves at home and build an identity separate from Mr. Gingrich and the national image of the House Republican freshmen as extremists.

Those efforts are paying off as the freshmen come under the assault of Democrats and labor unions.

ELECTION NOTES

Republican Plea: No Landslide

WASHINGTON — Fearful that a landslide victory by President Bill Clinton could help sweep Democrats into power on Capitol Hill, the Republican Party plans to launch a multimillion-dollar advertising blitz this week calling on voters to support Republican House candidates to avoid giving the president and "liberal special interests" a "blank check" in the new legislature.

The announcer in the new television spot, which will appear in 50 congressional districts beginning Monday, never mentions Mr. Clinton or the Republican presidential nominee, Bob Dole, according to Republican sources.

But the implicit message is that a re-elected Mr. Clinton could return to the policies of his first two years in office — when Democrats had majorities in both chambers of Congress — unless Republicans maintain their control of the House to keep him in check.

The National Republican Congressional Committee, which oversees the campaigns of Republican House candidates, plans to spend $3 million to $4 million on the new advertisement, according to sources.

The advertisement is the most direct acknowledgment by party officials that Mr. Dole now appears likely to lose and that preservation of Republican majorities in Congress has become the party's top priority. *(WP)*

Journalists Debate Dole Attack

WASHINGTON — As Bob Dole steps up his attacks on the media's "liberal bias," assailing television and The New York Times and urging voters not to "let them make up your mind for you," the objects of his derision are taking it in stride.

"It's so obvious that he's a very angry and frustrated man," said Hal Bruno, the political director of ABC News. "The media did not invent the many mistakes that have been made by the Dole campaign, which has been a struggling campaign from the very beginning.

"Here's a guy who had the respect of just about everyone in Washington as a legislative leader. To see him out there scolding the voters, saying it's the fault of the media, it's just sad."

But some journalists say that Mr. Dole has a point. They point to a recent survey of 139 Washington journalists by the Freedom Forum and Roper Center that found that 89 percent of them had voted for Mr. Clinton in 1992, and they assert that coverage of White House scandals would be more vigorous in a Republican administration.

When the Whitewater prosecutor received permission Friday to investigate whether the former White House counsel Bernard Nussbaum lied to Congress about the FBI files episode, they note, it was not reported by the three network evening newscasts and received five paragraphs in The Times.

But many journalists point to heavy coverage of questionable foreign donations to the Democratic National Committee, a story that was broken by the Los Angeles Times, and on which even the House speaker, Newt Gingrich, Republican of Georgia, says the press has done a good job.

"I find it ironic that Dole is criticizing the media for not covering all the stories that we broke," said Tim Russert, NBC's Washington bureau chief. *(WP)*

Quote/Unquote

David Pryor, 62, the retiring Arkansas senator and former governor who has spent more than two decades in Congress, on readjusting to private life: "I'm going to have to reinvent myself a little bit. Yesterday, I met a friend who asked me if I wanted to share an office, and I said: 'Gee, I don't know. I don't have a secretary or anything. I don't know how to turn on a computer.'" *(NYT)*

Away From Politics

• **St. Petersburg, Florida,** passed a quiet weekend following rioting sparked by the shooting of a black man by a white police officer. *(Reuters)*

• **Investigators are asking families** of victims killed in the explosion of TWA Flight 800 if they recognize a canvas bag found in the wreckage. An FBI aide said that the agency does not believe the bag contained a bomb, but that it is trying to identify the owner to help pinpoint the explosion's location. *(AP)*

• **A jet loaded with 70,000 pounds** (32,000 kilograms) of food for victims of the hurricane designated Lili took off from Miami for Cuba, after the U.S. and Cuban governments relaxed flight restrictions. *(AP)*

AMERICAN TOPICS

Park Service to Let Tribe Build Homes in Everglades

Under an agreement with the National Park Service, a dwindling tribe native to the Florida Everglades will be allowed to build homes in the environmentally sensitive area.

The Miccosukee tribe, which once lived in thatched-roof huts on stilts, now favors concrete-block houses with air-conditioning. Tribal leaders had said that if they could not build 65 more such dwellings, younger members with no place to settle would leave and the tribe, now numbering 700, might die out.

The park service had resisted, saying the fragile ecosystem of the area could be ruined, and several plants and animal species might be wiped out. Under the new agreement, however, the service says 30 houses can be built without serious risk to the wetlands. The tribe's attorney called the agreement a good first step, but said the tribe would continue to fight for "clear recognition of its right to self-government."

Short Takes

More than 100,000 horses end their lives each year in one of eight U.S. horse slaughter houses, which send more than 20 tons of meat abroad, to end up on dinner tables in places like Belgium, France, Mexico and Japan. Most of those horses are transported to the plants — in Connecticut, Illinois, Nebraska, Ohio, Oregon and Texas — in low-slung "potbelly" trucks designed for shorter-legged cattle and hogs. No rules govern how much rest, food or water the horses get, or how crowded the trailers may be. The Agriculture Department is studying ways to protect horses, but is not expected to issue new rules before 1998. The livestock industry is watching with intense interest, fearful that regulation might be extended to transportation of cattle, chicken, hogs and sheep.

Vodka is generally made from grain, although many people believe that it comes from potatoes, which Russians sometimes used in times of grain shortage. Now a U.S. distillery is making a potato-based vodka. Teton Glacier Vodka, says The New York Times, is a clean-tasting drink with a hint of viscosity. Only Idaho potatoes are used.

Truckers have again named Pennsylvania the state with the worst roads, a survey by the magazine Overdrive reports. They singled out Interstate 80 in western Pennsylvania and Interstate 76, the Pennsylvania Turnpike, a narrow, bumpy stretch between Breezewood and Pittsburgh, as the worst roads.

International Herald Tribune

Guard Is Cleared in Olympic Bombing

By Pierre Thomas and Bill McAllister
Washington Post Service

WASHINGTON — The Justice Department has ended the nightmare of Richard Jewell, the former security guard who went from hero to villain in the bombing at the Olympic Games in Atlanta, formally acknowledging that he is no longer a suspect in the terrorist incident that led to two deaths and injuries to 111 people.

"We are overjoyed," said Mr. Jewell's attorney, Jack Martin, citing a one-paragraph letter and two-page statement from U.S. Attorney Kent B. Alexander. "This is the government's way of saying, 'We don't believe you did it' and 'You're innocent.'"

Mr. Jewell repeatedly expressed his innocence, but investigators declined to comment. Finally, his lawyers orchestrated a public campaign to put pressure on prosecutors to issue a letter confirming that their client was no longer a suspect.

A month ago, law enforcement sources acknowledged that investigation had been unable to develop any solid evidence. On Wednesday, a federal judge declared Mr. Jewell a "former suspect."

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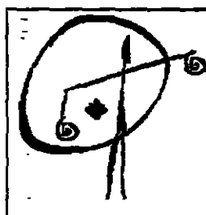
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ASIA/PACIFIC

In Afghan Village Destroyed by the Taleban, Loathing Simmers

By John F. Burns
New York Times Service

SAR CHESHMA, Afghanistan — In a country where at least 10,000 villages have been bombed, shelled and burned into rubble, the razing of one more hamlet can pass almost unnoticed. For hundreds of thousands of Afghan families who have lost their homes, the anonymity of the loss only adds to the pain.

So when a battered Kabul taxi arrived here Thursday, the handful of people remaining abandoned for a moment their rush to board trucks waiting to carry them away as refugees, and told outsiders how Sar Cheshma had died.

The villagers' story has been a familiar one in the 18 years that Afghanistan has been at war. The twist this time was that the men who destroyed Sar Cheshma were the turbaned warriors of the Taleban, the ultra-conservative Muslims who have imposed a medieval social order across much of Afghanistan.

Two years ago, the Taleban sprang from religious schools with a promise to suppress the carnage that has killed an estimated 1.5 million Afghans and driven millions of others from their homes.

The villagers of Sar Cheshma say 30 Taleban fighters swept in at dawn Tuesday, then spent several hours pouring canisters of gasoline into the 120 courtyard houses and setting them on fire.

Sar Cheshma lies barely five miles from the northern outskirts of Kabul, where Taleban forces are fighting a village-by-village battle with the forces of Ahmed Shah Masoud, a less conservative Muslim leader whose troops used Sar Cheshma briefly on Monday as a base to fire on the Taleban.

A young mother and her three sons were killed by a Taleban rocket fired when the Masoud forces were in the village. There were no further deaths.

But in one mud-walled courtyard after another, little remains but buckled bed frames, melted kitchen utensils and charred piles of grain.

"Are we not humans?" sobbed a 45-year-old woman named Narwaz.

Beside her, a villager named Khairuddin, 55, waved a bloodied *burqa*, the head-to-toe shroud that the Taleban force all women to wear outside their homes. The garment was all that remained of his daughter, the woman killed with her sons in the Taleban rocket attack.

Another man, Najmuddin, 30, held a metal bowl piled high with ashes of a copy of the Koran that he said had been in his family for generations.

"Tyrants! Tyrants!" he shouted, referring to the Taleban. "This is the book of God. Kill us if you must, but don't burn our holy book!"

The shock of what happened here appeared to be all the greater among the villagers because the perpetrators were the Taleban.

When they emerged as a fighting force in 1994, the Taleban presented themselves as the harbingers of a new Afghanistan, modeled on the teachings of the Koran and inspired by a burning zeal to reunify the country.

From their original base in the southern city of Kandahar, they swept east and west, suppressing local militias that had reduced much of the country to anarchy. The Muslim clerics who led the Taleban promised that their forces would set new standards of decency in the fighting.

Taleban units appear to have avoided raping and pillaging in the manner of most of the other Afghan forces that have fought in the civil war. But they have become widely hated for the strict social order laid down by the Taleban leaders, which bans women from working outside the home and girls from going to school, and requires men to grow beards.

Since Kabul fell to the Taleban four weeks ago, there has been a series of uprisings against them in towns and villages north of the capital. Now the Taleban have gone a step further, using tactics indistinguishable from those of other forces that have contributed to the country's destruction.

On Saturday, two days after the attack on Sar Cheshma, Taleban jets bombed Kalakan, a village under the control of Mr. Masoud's forces about 10 miles farther north. According to an account by a reporter for the BBC who visited the village, the bombing killed 20 civilians.

In the case of Sar Cheshma, the Taleban attack was the latest in a series of disasters. The residents have repeatedly found themselves in the middle of the fighting because of the village's strategic position, hard up against the Ghoza mountain range, which runs like a shield across the northwestern flank of Kabul.

In the decade that Soviet forces were here, Sar Cheshma became a stronghold for the Muslim guerrillas who ultimately drove out the Soviet troops. Soviet bombers pounded the village more than once, forcing many villagers to flee.

In the atmosphere of panic that gripped Sar Cheshma on Thursday, many villagers said the Taleban were worse than the Russians.

Again and again, the villagers voiced loathing for the Taleban because of the movement's claim to be the true upholders of the Koran.

"Didn't they do a wonderful job here, these Muslims?" said Nizamuddin. "Wasn't this burning of our village a true act of faith? We should applaud them — they are surely the best Muslims in the world."

Japan Coalition Talks Stall

Hashimoto May Form Minority Government

Compiled by Our Staff From Dispatches

TOKYO — Prime Minister Ryutaro Hashimoto is having unexpected difficulties getting a parliamentary majority, and his Liberal Democratic Party looked increasingly likely Sunday to go it alone as a one-party minority government.

His former partners, the Social Democrats, are demanding concessions, including the abolition of corporate political contributions, which the Liberal Democrats find unacceptable.

The Liberal Democrats had hoped members of the conservative New Frontier Party would split off, but New Frontier leaders say the party will remain whole.

Another prospective coalition partner, the new Democratic Party, has shied away from a coalition, fearing its image would be damaged by association with a party long tainted by scandals.

Liberal Democratic leaders plan to hold a second round of talks Monday with Social Democrats and the New Party Sakigake.

But there were no signs that the two junior parties, particularly the Social Democrats, would back off from policy positions opposed by the Liberal Democrats and join a new coalition.

Failure to put together a new coalition would force Mr. Hashimoto to form a short-lived minority government, analysts said.

Such a government was likely to perpetuate political instability because legislation — including key budget bills — could become bogged down in squabbling between parties and be vulnerable to challenges by opposition parties.

In general elections on Oct. 20, the Liberal Democrats won 239 seats in the 500-member lower house, a dozen short of a majority. In the less-powerful 252-member upper house, the party holds only 109 seats.

On Saturday, the Social Democrats presented a stiff nine-point policy outline of their conditions for joining a new alliance.

The thorniest demand was for an immediate ban on political donations from businesses, a condition unlikely to be accepted by the pro-business Liberal Democrats.

"We need political donations from corporations at least for the time being," Taku Yamasaki, head of the party's policy affairs council, argued on a television talk show on Sunday.

Sakigake, with just two lower house seats, unveiled a platform of administrative reform calling for the establishment of a cabinet-level office to draw up the national budget — currently the Finance Ministry's main task — and privatizing government-funded special corporations.

The government is expected to reconvene Parliament on Nov. 7 to elect a new prime minister. *(Reuters, AP)*



Mike Clarke/Agence France-Presse

VOICES FOR DISSIDENT — Hong Kong protesters calling Sunday for China to free Wang Dang, a leader of the 1989 democracy movement facing trial this week.

Candidate Cautions Hong Kong

By Kevin Murphy
International Herald Tribune

HONG KONG — Tung Chee-hwa, the leading contender to become Hong Kong's first chief executive under Chinese rule, on Sunday welcomed the possibility that the British colony's top civil servant, Anson Chan, would continue her work in his administration if his campaign for the post is successful. But by repeating warnings that the current government must cooperate with a Chinese-appointed legislature to be formed before the handover of sovereignty on July 1 next year, Mr. Tung highlighted one of the few remaining obstacles to a smooth transfer of power in Hong Kong.

"It's not in the long-term or short-term interests of Hong Kong for the government not to work with the provisional legislature," Mr. Tung said in an interview. "The provisional legislature has become a necessity. These are the realities. We have to work it out."

Mrs. Chan, judging by local opinion polls, is the community favorite to replace the British governor, Chris Patten, but on Saturday she announced that she would not enter a contest in which 400 people appointed by Beijing will select the chief executive and a legislature to replace one elected in September last year.

"Although I shall not be seeking the top post, it remains my wish, and that of my senior colleagues, to continue to serve the people of Hong Kong without fear or favor and to play our part in achieving a successful transition," Mrs. Chan said in a statement.

Beijing intends to dismantle the Legislative Council and replace it with one more to its liking because it has long opposed electoral reforms championed by Mr. Patten. Changes to the electoral process saw the entire 60-seat legislature chosen by direct election for the first time in its history.

However, the likely emergence of a second legislature in the first half of next year will put Mrs. Chan, her civil service colleagues and sitting legislators in a difficult position of divided loyalties and may cause, some analysts fear, a legislative vacuum at a critical juncture for Hong Kong.

"This is why many of us have been working hard to avoid this scenario," said Mr. Tung, a shipping magnate who served until June as a senior adviser to Mr. Patten in addition to being a member of various Chinese bodies preparing for the handover.

Mr. Tung, 59, described his role as one of a protector of Hong Kong's "freedom of thought, freedom of movement, freedom of capital and freedom of speech."

Heavy Fighting Rages On Plain North of Kabul

Reuters

KABUL — Anti-Taleban forces struck at the fundamentalist Islamic militia from the air and on the ground Sunday in heavy fighting north of Kabul that was still raging as darkness fell, witnesses said.

They said the two sides exchanged heavy salvos of rockets, artillery and mortar fire and both sent in bombers. Taleban also used a helicopter gunship in the fighting over a line of hills across a plain about 25 kilometers (15 miles) north of Kabul.

Taleban fighters near the front line said they had fought back the combined forces of the northern Uzbek leader, Abdul Rashid Dustam, and the former government military chief, Ahmed Shah Masoud. Taleban kept control of the strategic De Sabz pass north of Kabul despite a strong assault by ousted Afghan government forces.

BRIEFLY ASIA

Sihanouk Reverses on Amnesty

PHNOM PENH — King Norodom Sihanouk on Sunday reversed his call to release most of Cambodia's prisoners, stating that political opposition to the idea had led to his change of heart.

King Sihanouk, who proposed the mass amnesties in light of the recent pardoning of a leader from the 1975-1979 Khmer Rouge regime, faced mounting opposition from politicians angry at the prospect that the king might also pardon his half-brother, Prince Norodom Sirivudh, analysts said.

Prince Sirivudh, who was exiled to France last year over an alleged plot to kill Second Prime Minister Hun Sen, had recently written to the king asking for permission to return home. *(Reuters)*

Bangladeshis Oppose Highway

DHAKA — Bangladesh opposition parties, suspicious of India, are mounting a campaign against proposals for an Asian highway cutting across the country.

Communication Minister Anwar Hossain Manju goes to New Delhi this week for a UN conference on the highway, which would stretch from Turkey to China.

But Abdul Mannan Bhuiyan, secretary-general of the Bangladesh Nationalist Party, said, "A conspiracy is under way to give India a land transit over Bangladesh in the name of linkage to the Asian highway." *(Reuters)*

Beijing Mayor May Step Down

BEIJING — Mayor Li Qiyan is to step down in a long-delayed reshuffle after the downfall of his mentor, the Chinese capital's disgraced Communist Party boss Chen Xitong, sources with close ties to the city government said on Sunday.

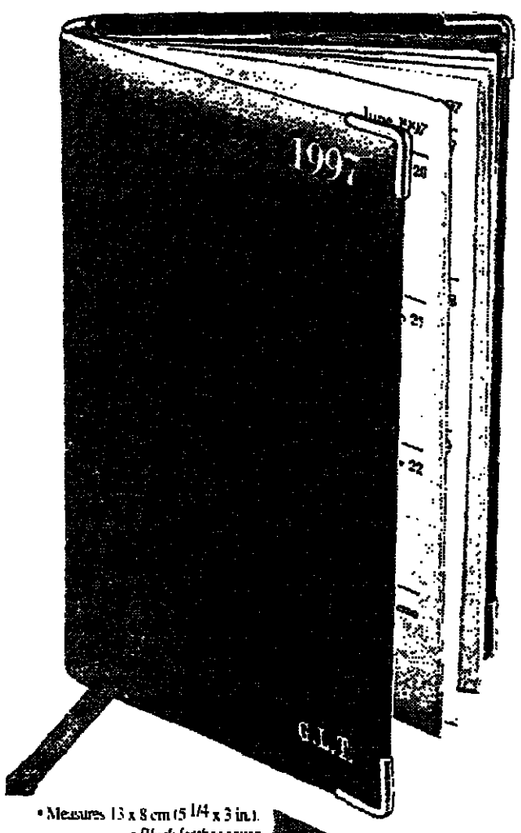
Mr. Li, 58, mayor of Beijing since 1993, would become a deputy minister of labor, the sources said. *(Reuters)*

Kashmir Capital Shut by Strike

SRINAGAR, India — Shops and businesses shut down in Srinagar, Jammu and Kashmir's summer capital, on Sunday in a strike called by separatists to mark the 49th anniversary of the arrival of Indian troops in the Himalayan state.

"October 27 is the most unfortunate day for Kashmiris, when Indian occupational forces landed in Kashmir," said a statement of the All Parties' Hurriyat Conference, which groups 30 separatist organizations. *(Reuters)*

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BRIEFLY EUROPE

Prague to Test Gulf War Veterans

PRAGUE — The Czech Defense Ministry said it had ordered medical examinations for all Czech soldiers who served in the Gulf War in 1991, in light of recent reports that many of the veterans may have fallen ill from exposure to Iraqi chemical weapons.

Several of the Czech veterans have come forward recently to say they have ailments similar to those reported by thousands of U.S. troops who served in the Gulf, including gastrointestinal problems and chronic fatigue.

In announcing the checkups, the ministry said that the medical examinations of the estimated 150 Czech soldiers who served in the Gulf would be "complex and comprehensive" and that investigators would review related medical records. *(NYT)*

Pope Resumes Pastoral Duties

VATICAN CITY — Nearly three weeks after surgery, Pope John Paul II resumed on Sunday his pastoral duties, presiding over a service at St. Peter's Basilica to mark Christian unity.

The Pope walked with a labored gait during the opening procession of the service, leaning on his pastoral staff. As he gave a liturgy, his voice at times sounded weak, but then seemed stronger during his regular noon blessing from his window over St. Peter's Square.

The 76-year-old pontiff had an appendectomy on Oct. 8. Since leaving the hospital a week later, he has appeared at his window to greet pilgrims several times. *(AP)*

Swiss Protest Public Sector Cuts

BERN — In one of the biggest demonstrations ever witnessed in Switzerland, up to 35,000 people turned out to protest cutbacks in the public sector.

"Stop dismantling our public services," was the slogan carried Saturday on banners in front of the federal Parliament. "We are fighting to preserve jobs," a union organizer, Hans Ueli Ruchti, told the crowd. "Leave our work conditions alone. Leave our wages alone." *(AP)*

A Final Settlement for 7 Tons of Nazi Gold

By Barry James
International Herald Tribune

PARIS — The United States, Britain and France are about to close a chapter in history by distributing the last seven tons of bullion in their postwar pool of Nazi gold, worth about $86 million.

This still leaves unanswered questions about huge amounts of gold that were never placed in the pool, including assets that may be in Swiss bank vaults.

The Allies agreed that monetary gold — referring mostly to marked central bank reserves — looted by Germany and recovered by Allied forces should be pooled and distributed to claimant countries in proportion to their losses.

A final settlement was delayed because Italy and Albania presented conflicting claims to some of the same gold, and Britain and the United States also had claims against Albania. Those disputes have now been resolved, and Emrys T. Davies, secretary-general of the Tripartite Commission for the Restitution of Monetary Gold, will hand the Albanians a document this week authorizing them to take delivery of 1.5 tons of Nazi gold held by the Bank of England.

Mr. Davies said he would then wind up the commission after distributing the remaining 5.5 tons, held as a contingency reserve, among the nine other claimant countries: Austria, Belgium, Greece, Italy, Luxembourg, the Netherlands, Poland and former Czechoslovakia and Yugoslavia.

In all, the pool will have distributed nearly 337 tons of gold since it was set up in 1946 by the Paris Conference on Reparation. This represents 64 percent of validated claims by the claimant countries. The Tripartite Commission took into consideration only claims by governments, not from individual victims of the Nazis.

Mr. Davies said he would prepare a final report to the U.S., British and French governments, which he said he expected would be published. But he added that he doubted that the Commission's secret minutes would soon see the light of day.

"Some of the contents are still very delicate," he said.

The participation in the pool of Austria, a willing Nazi ally, is one such delicate issue. Secret diplomatic documents obtained by Shimon Samuels, director for international liaison of the Simon Wiesenthal Center, show that Austria received 33.8 tons of gold in 1947, worth $38 million at the time. In addition, the United States gave the Austrian government a further 4.3 tons of gold over French protests that this should be placed in the pool. U.S. officials argued that the gold was needed to help Austria resist falling into the Communist camp.

Austria, which formed a union with Germany in 1938, received far more than the $25 million allotted to "Nazi persecutees" by the Paris conference, most of which went to fund a displaced persons program rather than to compensate Holocaust victims.

Although most of the gold in the allied pool was marked, some had no mention of origin, leading to suspicion that it may have come from the crates full of gold teeth and rings stripped from death camp victims that had been listed in Nazi archives.

Such hoards of "non-monetary gold" looted from millions of Jewish and other victims of the Nazis form an unresolved question today. Some of it may still be in dormant accounts in Swiss banks, in addition to wealth deposited by the heirless victims of Nazism.

With its reputation for financial probity under attack, Switzerland has set up five official inquiries to look into claims. The Foreign Ministry said last week that any funds discovered would be distributed according to ethical as well as legal criteria.

According to information made available by the British Foreign Office last month, a high Swiss official inadvertently revealed in 1946 that $500 million of gold originating in Germany — more than $6 billion at current rates — was then held in Swiss banks.

The Swiss rejected Allied demands for a payment of $130 million, but eventually handed over 250 million Swiss francs (equivalent to 51 tons of gold), which formed the original basis of the gold pool. But Switzerland kept an estimated seven-eighths of the Nazi gold in its vault. The Swiss government is now under international pressure to publish a clear accounting of these assets.



Sergio Perez/Reuters

MADRID MIGRATION — A shepherd leading about 2,000 sheep past Madrid's Alcala gate Sunday to protest the disappearance of ancient migration routes to the south.

Paris Apartment Probe Urged

Does City Own Property Seized From Jews During War?

Reuters

PARIS — The French left wants an official inquiry to determine whether some of the apartments acquired by the Paris City Council during World War II were seized from deported Jews.

Le Monde reported that the Socialists would request on Monday that a committee including members of the Jewish community investigate the history of the property in question.

Historians' long-standing suspicions that some of the city property was seized from Jews was revived by a book published recently that coincides with the city selling off part of its real estate following a political scandal.

"Private Estate," a book by Brigitte Vital-Durand, a journalist, says that the Paris council owns 150 buildings in the capital's Marais district, some of which had belonged to Jews who never returned after the war. She had no global figure for the number of Paris dwellings that may have been seized from Jews.

The issue has acquired urgency as Mayor Jean Tiberi has ordered the sale of a third of the 1,389 apartments the city has purchased or acquired through donations and expropriations. Deputy Mayor Jean-Francois Legaret said none of the blocks sold so far or up for sale had belonged to Jewish families.

But Ms. Vital-Durand said some property was sold without its history being disclosed, and Henri Malberg, a Communist council member, called for the sale to be halted for now.

The EU This Week:

International Herald Tribune

Significant events in the European Union this week:

• EU foreign ministers will meet in Luxembourg on Monday to discuss whether Denmark will drop its opposition to proposed countermeasures designed to defend EU companies from U.S. sanctions against foreign entities that trade with Cuba. Ministers also are expected to discuss the appointment of a special EU envoy to assist the Middle East peace process.

• National negotiators to the intergovernmental conference on EU reform meet in Luxembourg on Monday and Tuesday for their first debate on a flexibility clause proposed by Germany and France that would allow some EU countries to develop future joint policy initiatives without constraint from reluctant capitals. Britain and Spain have been cool to the idea, believing it could serve as a vehicle for a forming a bloc within the Union that might discriminate against other members.

• EU agriculture ministers meet in Luxembourg on Monday and Tuesday to consider measures to permanently reduce the Union's beef industry after the drop in demand resulting from the crisis over bovine spongiform encephalopathy, or "mad cow" disease.

A Place in the European Union at Stake, Malta Slowly Tallies Vote

Reuters

VALLETTA, Malta — Election officials laboriously counted votes Sunday after a record turnout in Malta's general election, which will decide whether the Mediterranean archipelago joins the European Union.

At stake is the future of the country's application to join the Union, to be pursued if the former governing Nationalist Party wins and scrapped if the opposition Labor Party achieves victory.

Prime Minister Edward Fenech Adami, 62, whose government had a three-seat majority in the old 65-member Parliament, has pledged to pursue an EU membership application that he made in 1990.

The Labor leader, Alfred Sant, 45, is committed to ending Malta's application and removing the country from the NATO Partnership for Peace Program which it joined last year.

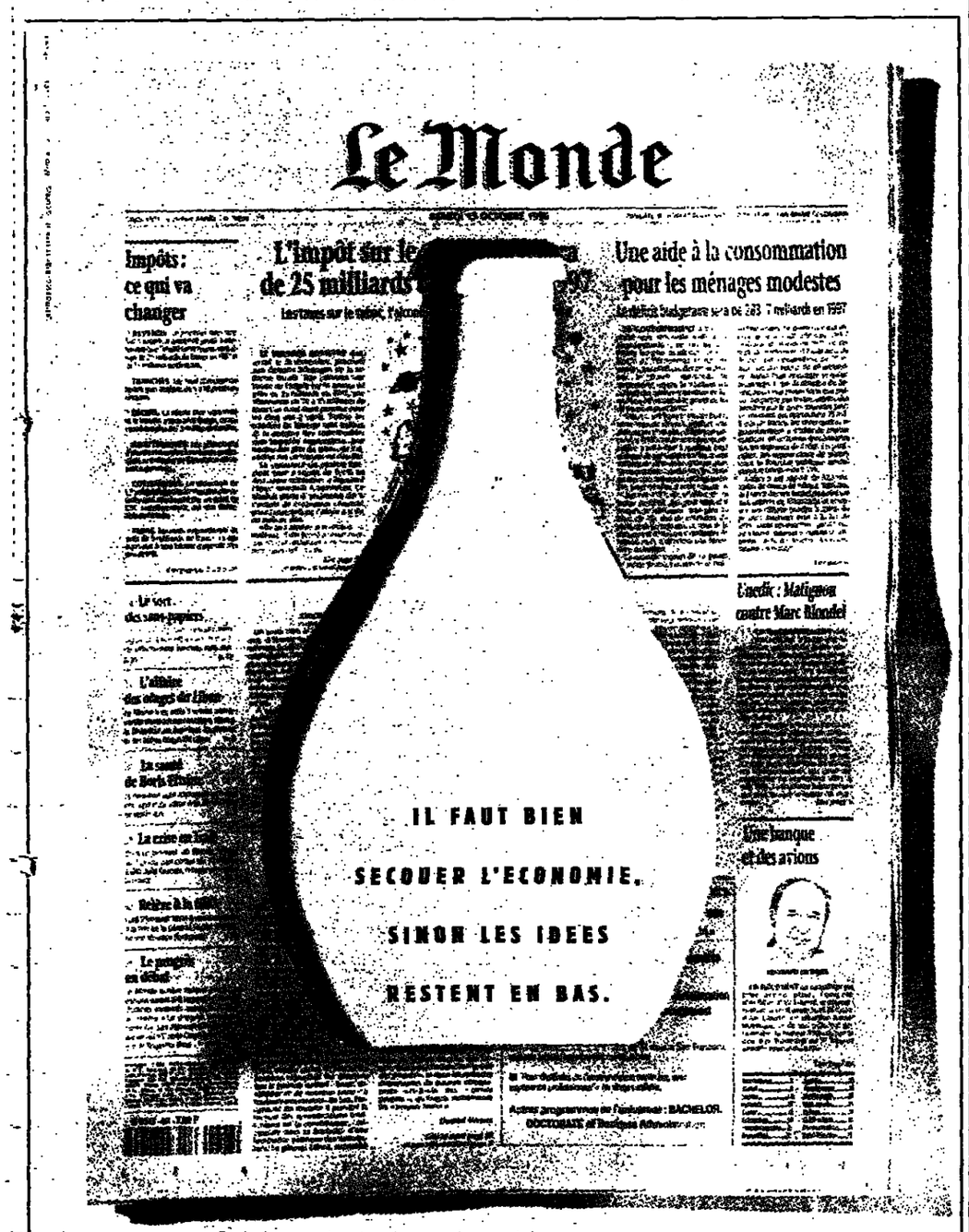
Malta has no independent opinion polls and both main parties said their own polls showed they would win.

Results were not expected immediately despite efforts to speed up counting after repeated complaints.

Delegates from the main parties and the small Democratic Alternative scrutinized every ballot.

Disputes over the validity of votes often disrupted proceedings, once for over 15 minutes as a Democratic Alternative militant argued vehemently.

The turnout on Saturday was a record 97 percent of the electorate of nearly 275,000 people. Voter turnout in Malta usually exceeds 90 percent, and it is common for the two main parties to come within about 5,000 votes of each other in the total.



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EUROPE

NATO Troops in Bosnia Cobble Together a Market-Style Peace

By John Pomfret
Washington Post Service

CAMP ALICIA, Bosnia-Herzegovina — Colonel John Batiste, a wily U.S. Army officer, rocked back in a schoolhouse chair one recent morning, glanced at his replacement and let slip a piece of advice about the mission to bring peace to this pulverized country.

"Make them think they're in charge," he said.

Colonel Batiste, headquartered at this installation east of Tuzla, was counseling his colleague on how to deal with the Organization for Security and Cooperation in Europe and its flailing efforts to arrange municipal elections in Bosnia. But what he told Colonel W. Montague Winfield, who assumes command of a U.S. brigade on Nov. 3, could go for almost every other aspect of the task in Bosnia.

Ten months into a wide-spread Western engagement in nation-building and peace enforcement, the only part of the effort that seems to be ully working is the one carried out by NATO forces.

The North Atlantic Treaty Organization has accomplished the mission assigned to it in the Dayton peace accord last year: separation of the Serbian, Croatian and Muslim forces and demilitarization of a corridor 600 miles long and 2.5 miles wide.

But the civilian side — reconstruction, creation of joint government institutions, return of refugees — is stuck in the mud of bureaucracy and the inability of Western diplomats to finish the job.

Partly, this is because the civilian mission is messier and more dependent on goodwill from Bosnia's rival communities, which find it easier to talk back to foreigners wearing neckties than to those wearing M-16s.

But in the eyes of many here — civilian and military — it also is because NATO officers and their troops seem to think more creatively and push harder to reach solutions than their civilian counterparts.

As a result, the military has begun to fill the civilian vacuum.

This marks a major broadening of NATO's mission in Bosnia, which was to be limited to peacekeeping when it began last December. From reconstruction to railroads to refugees, NATO officers have been at the forefront of projects, seeking solutions when Western civilian organizations seem to have retreated from the issues, regarding them as intractable or too complex.

NATO officers regularly engage in police activities, and American soldiers have even begun carrying out house-to-house searches for weapons in several villages in northwestern Bosnia.

NATO officers were also at the forefront of efforts to persuade the Organization for Security and Cooperation in Europe to postpone municipal elections for a second time. That vote was first scheduled to be held Sept. 14, the day of Bosnia's first nationwide elections as an independent state. But it was delayed until Nov. 23-24 after the Serbs committed wholesale electoral fraud. This week, the organization announced that continued political instability would again force postponement of the municipal voting. NATO officers also planned and carried out the Sept. 14 vote following acknowledgment by the European security organization that it could not complete the task.

"NATO's influence here is massive," a Western ambassador said. "Their organizational and management skills make us look like kids selling lemonade on a Sunday afternoon."

By ceding such decision-making to the military, Western diplomats have allowed NATO — and the individual military organizations it comprises — to make the main decisions in Bosnia.

There is probably no better place to understand NATO's creeping mission in Bosnia than in Sector Northwest, the U.S. zone around the mining and industrial center of Tuzla. Here, 15,000 U.S. troops have brought peace to a part of the country where some of the fiercest battles raged until October 1995, when the last cease-fire came into effect.

It was in Brcko, a Serbian-held northern city, that U.S. officers first stepped in to do the work of Western civilians. Before the war, Brcko was home to almost 90,000 people, 44 percent of them Muslim, 25 percent Croat and only 21 percent Serb. But in April 1992, at the start of Bosnia's war, the Serbs took the city. Now local officials say fewer than 10 Muslims and Croats remain.

This spring, Muslims began to trickle back into the zone of separation, which used to be a battlefield and now belongs to NATO. Muslims started moving back to their homes in villages such as Omerbegovaca and Brod, two hamlets south of Brcko that, while inside Serbian territory, were also inside the zone and thus under the eyes of U.S. soldiers.

The American presence prevented the Serbs from resorting to their old tactics of killing a few Muslims and watching the rest flee. So Serbian authorities began to move Serbian families into the zone, occupying Muslim homes. A standoff ensued.

U.S. officers tried to engage Western diplomats and civilian officials from the office of the UN High Commissioner for Refugees to deal with the impending confrontation. In June, Lieutenant Colonel Tony Cucolo, commander of a mechanized U.S. Army battalion in the area, ordered all building to stop.

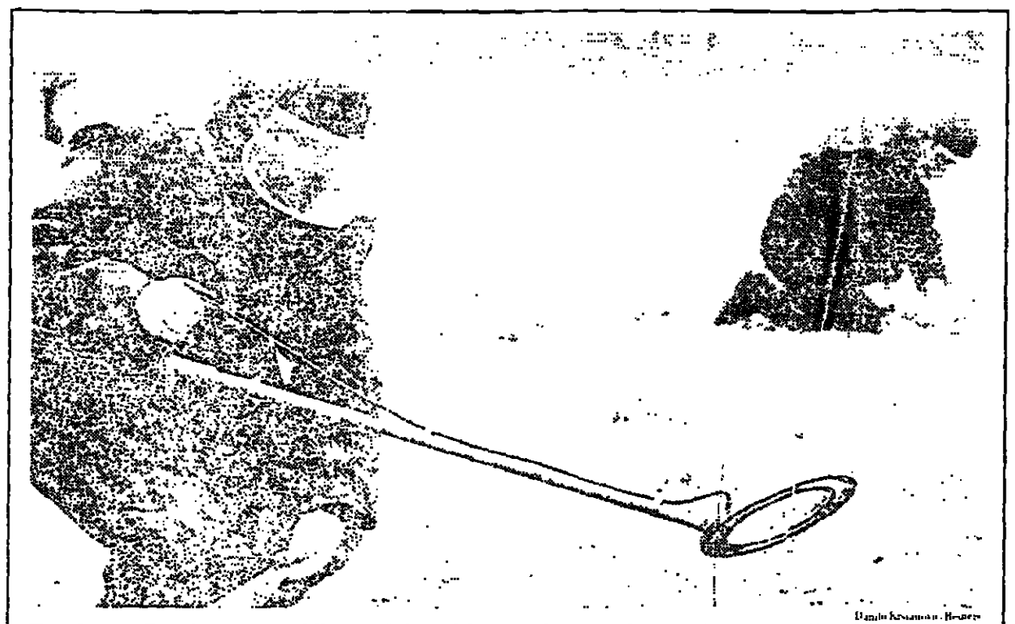
Colonel Cucolo's act forced Western officials to confront the crisis. Army officers sat down with UN relief agency officials and envoys from the Office of the High Representative, the main international agency charged with implementing the Dayton accord. They worked out a plan to allow Muslims to return to the zone if they could prove that the houses they want to occupy had belonged to them before the war.

The plan that sprang from Colonel Cucolo's edict is being used as a Bosnia-wide model for the return of refugees into the zone. "Without the prodding, nothing would have gotten done," a Western official said of Colonel Cucolo's actions. "All the people — the UNHCR, the diplomats, whoever — had their heads in the sand."

Just a few miles southwest of Colonel Cucolo's base, in an old, trench-scarred battlefield near Brcko, sits the camp of Colonel Gregory Fontenot, commander of the 1st Armored Division's 1st Brigade. He has turned this swath of northern Bosnia into one of the most economically active parts of the country.

Colonel Fontenot, a Western aid official said, has done more work than any international aid agency in building economic bridges linking the three groups. The open-air Arizona Free Market owes its existence to the work of the colonel. U.S. Army engineers have cleared the site of mines, and put in sewage pipes and access roads. The NATO-named market sits on what used to be no-man's-land. Today, it is a sprawling bazaar where buyers can get anything from cattle and sheep to bluejeans, a satellite dish and occasionally, though not legally, a handgun.

"This is the way it used to be," said Mirsad Alemkovic, who was selling flour recently. "I sell to anyone. I don't care about who he is. I just want his money; he just wants my goods."



Danilo Krstanovic/Reuters

Two former Bosnian Army soldiers training with new mine-searching equipment in a Sarajevo suburb.

U.S. and NATO Quietly Preparing a Bosnia Force for 1997

By Steven Lee Myers
New York Times Service

WASHINGTON — Although the White House has maintained a deliberate silence for fear of provoking pre-election controversy, the United States and NATO have begun preparing to field a smaller but still sizable international peacekeeping force in Bosnia that would include at least 5,000 U.S. troops.

After a week in which Bosnia's potentially volatile municipal elections were delayed until next year, administration officials, NATO leaders and European diplomats said active planning was under way for a force of 15,000 to 30,000 troops that would remain in Bosnia at least through 1997.

Although some details remain unresolved, the officials in Washington and Europe said the new force would have essentially the same mission as the nearly 60,000 troops, including more than 15,000 Americans, who have patrolled Bosnia for nearly a year.

As they discuss military options with the NATO allies, American officials have taken pains to note that formal approval for participation of U.S. troops has to come from President Bill Clinton.

And the president's aides insisted that he would not make his final decision until the United States and the North Atlantic Treaty Organization agree on the exact scope of the mission next month, after the presidential election.

But officials in Europe said that in recent meetings there was unanimous agreement among countries that now have troops in Bosnia, including the United States, that a sizable ground force would continue to be necessary.

Britain and France, the other main countries involved, insist that they will not field troops if the Americans do not. But NATO officials said the United States had essentially signaled its commitment, most recently at a meeting in Brussels last week and in recent visits to NATO headquarters in Brussels by Defense Secretary William Perry and the deputy national security adviser, Samuel Berger.

"You know full well that there has to be a military presence," a senior European diplomat in the Balkans said. "There will be."

The issue is politically delicate for Mr. Clinton. When he first committed troops late last year, he pledged that they would be home by the end of 1996, although from the start aides said the deadline was merely an approximation. In recent months the administration has acknowledged that a few thousand troops would remain until March to oversee a gradual withdrawal.

Earlier this month, NATO's defense ministers, meeting in Bergen, Norway, ordered military planners to consider four options for an international force in Bosnia, once the current force's mandate expires in December.

They range from a renewal of the current force level to a complete withdrawal. In between, the options are a reduced force or a still smaller force backed up by mobile units stationed near Bosnia.

The United States, however, has all but ruled out the extreme options.

"The focus of the study," an administration official said, "is on the middle two options."

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INTERNATIONAL

South Africa Gambles On Truth, Not Justice

Commission Has Amnesty Power

By Suzanne Daley
New York Times Service

JOHANNESBURG — Telling the truth about past atrocities is the way for a brutalized society to bind up its wounds, the theory goes.

Now South Africa has seen glimpses of the best this technique can offer: An army general admitting that he was the one who gave the order to fire on unarmed demonstrators at Bisho in 1992, and a police captain who helped kill 13 women and children asking the victim's families to "consider forgiving me."

But are such moments enough to heal the nation? In trying to put the past to rest,

NEWS ANALYSIS

South Africa has fashioned the biggest, most expensive and most powerful "truth commission" ever devised.

In exchange for confessions about atrocities under 40 years of apartheid rule, it plans to offer amnesty. It is gambling on truth — rather than justice, in the sense of seeing people tried, convicted and sent to prison.

This approach has been tried in other countries in recent years, and it has a following. The believers say that truth is at least half of justice. And truth commissions, experts say, are faster, cheaper and in the end may offer more detail about what happened and more catharsis for victims than tribunals like those for Bosnia and Rwanda.

But efficiency isn't really the point. Truth commissions arise from political necessity. Two of the first countries to create them were Argentina in 1983 and Chile in 1990. As those countries struggled to restore peace and democracy after periods of military repression, the generals still had some authority.

Jail sentences, the theory went, might have been resisted, plunging the countries back into chaos. Instead, both settled for gathering facts and publishing historical records to at least acknowledge the suffering. Broad amnesties were also granted.

South Africa, too, had little choice. Providing for amnesty was part of the negotiated settlement that allowed the country to make a peaceful transition from a white supremacist government to the first nonracial elections, in 1994.

Still, South Africa's effort is far more ambitious than Argentina's or Chile's or any other country's so far. It is the first to have subpoena powers and the first to give the truth commission itself the power to offer amnesty case-by-case. This weapon was demonstrated last week, when the former chief of South Africa's police force admitted ordering at least two acts of terror.

General Johann van der Merwe's confession was the result of a system working exactly as it had been envisioned. With prosecutors hot on their heels, five mid-level police officers ran to the Truth and Reconciliation Commission. As part of their plea for amnesty, they intended to name General van der Merwe as the man who gave the orders.

So, along came General van der Merwe, the former chief of South Africa's police, and he confessed. Then he named the two cabinet level officials who gave him orders. The veil of secrecy around the top levels of the former government was lifting, and commission officials were openly delighted.

The hearing that followed offered scenes of extraordinary callousness. A police colonel, for example, described his role in the disappearance of three well-known activists. He and his men held a barbecue while the prisoners, their torture sessions over, sat nearby with hoods over their heads, able to smell the food and hear the chatter.

"Look at them up there," said Russell Ally, who works for the commission. "They are scared, and they are telling us everything. The courts could not achieve this."

"In many ways," said Richard Goldstone, a South African judge who is a former prosecutor in the Balkan and Rwanda war crimes tribunals, "a truth commission can be far more inclusive."

Corsican Separatists Fire Rocket Into Police Station

The Associated Press

PORTO-VECCHIO, Corsica — Separatists fired a rocket at a police station on this French Mediterranean island, causing damage but no injuries.

Saturday's attack was the second in two days targeting police on Corsica, hit hard by a wave of separatist violence.

Police in Porto-Vecchio, a city on the southern end of the island, said the Russian-made rocket carrying only a dummy charge slammed into barracks where two officers were sleeping.

The Front for the National Liberation of Corsica claimed responsibility for the attack in a statement authenticated by authorities, the French television station L[illegible] reported.



Hutu leaving Panzi camp in eastern Zaire on Sunday after shelling by ethnic Tutsi rebels.

2d Hutu Camp in Zaire Is Attacked

By Stephen Buckley
Washington Post Service

GISENYI, Rwanda — Another camp crammed with hundreds of thousands of Rwandan refugees was attacked in eastern Zaire early Sunday, the second straight day that violence has visited the refugees.

Meanwhile, about 2,000 Hutu returned to Rwanda at this northwestern border crossing, the biggest one-day repatriation from the eastern Zaire camps in several months. It is a sign of their desperation that they have returned here despite their fears they will be persecuted for the 1994 genocide of Tutsi by Hutu militia.

In the Sunday fighting, unknown attackers fired on 220,000 refugees at Katale camp, but were repelled by Zairian military guards. The camp is filled with Rwandans who are among the 1.1 million Hutu who have lived near the town of Goma, across the border from Gisenyi, since 1994.

The violence erupted this month as the Zairian government tried to expel the country's ethnic Tutsi, known as Banyamulenge. In recent days, Banyamulenge have taken two towns in eastern Zaire, while the violence has pushed at least 200,000 Hutu refugees out of their camps and displaced thousands of Zairians.

Another 200,000 refugees were scattered from one of the Goma camps Saturday after a group of men shot into the camp with automatic weapons, UN officials said.

At least six people were killed and 60 wounded, a UN spokesman said. After the attack, assailants burned the hospital housing many of the wounded refugees, and it was unclear how many more died in that incident.

"I can't say who the forces are, but from what the refugees said, the attackers came from the direction of Rwanda," said Panos Moumtzis, a spokesman for the United Nations High Commissioner for Refugees.

Zaire says the Tutsi-run Rwandan and Burundian armies are ultimately responsible for the violence for arming the Banyamulenge. Rwanda and Burundi have denied the accusation.

Pakistan Routs Islamic Party Protesters

Compiled by Our Staff From Dispatches

ISLAMABAD, Pakistan — Thousands of demonstrators waving the Koran and demanding the resignation of Prime Minister Benazir Bhutto were forced to retreat from the outskirts of the federal capital Sunday after trying to storm past policemen and barricades to reach Islamabad.

The organizer of the protest and head of Jamaat-i-Islami, or the Party of Islam, Qasi Hussein Ahmed, vowed to sweep Miss Bhutto out of power. "The repressive measures of the government will prove to be the last nail in its own coffin and pave the way for a grand Islamic revolution," he said.

But Miss Bhutto's Pakistan People's Party and that main opposition Pakistan Muslim League led by Nawaz Sharif still dominate Pakistani politics, however disenchanted the people have become with what many see as poor governance, corruption and economic burdens.

Hundreds of policemen took cover behind trucks and barbed wire and fired salvo after salvo of tear gas shells into the crowd, forcing most of the protesters to retreat to Rawalpindi. The crowd dwindled to several hundred, who threw stones at the police and smashed vehicles. They were dispelled by tear gas after sunset.

The government had sought to defuse the protest by arresting Jamaat-i-Islami activists. Party leaders said 5,000 people had been detained. *(AP, Reuters)*

U.S. Pushing Over Hebron Before Arafat Visits Europe

By Serge Schmemann
New York Times Service

JERUSALEM — The American mediator Dennis Ross shuttled between Haifa and Gaza on Sunday, struggling to bridge remaining gaps before the Palestinian leader, Yasser Arafat, left on a European tour Monday.

Mr. Arafat's departure was expected to bring a new delay to the three-week old talks between Israel and the Palestinian Authority on transferring control of Hebron to the Palestinians.

Israeli officials continued to insist that a deal was imminent. But as the negotiations entered their fourth week with virtually daily assurances of an impending agreement, it was difficult to assess what this meant.

In an effort to prod both sides on, President Bill Clinton telephoned Prime Minister Benjamin Netanyahu and Mr. Arafat on Sunday. The White House press secretary, Michael McCurry, said Mr. Clinton had made the calls because the negotiations were "down to some difficult issues."

Mr. Ross was reported to be preparing to leave Monday if no agreement was reached before Mr. Arafat's planned departure on visits to Finland and Spain.

"It's clear that we have further narrowed the differences that exist, but we have not overcome those differences," Mr. Ross said after meeting with the Mr. Netanyahu in Haifa. He was to meet Sunday night with Mr. Arafat in Gaza.

The remaining obstacles were reported to be over an Israeli demand for the right to pursue Palestinian attackers into Palestinian-controlled portions of Hebron, and over where armed Israel settlers might have the right to move in the city.

Palestinian Boy Hospitalized After Beating at Settlement

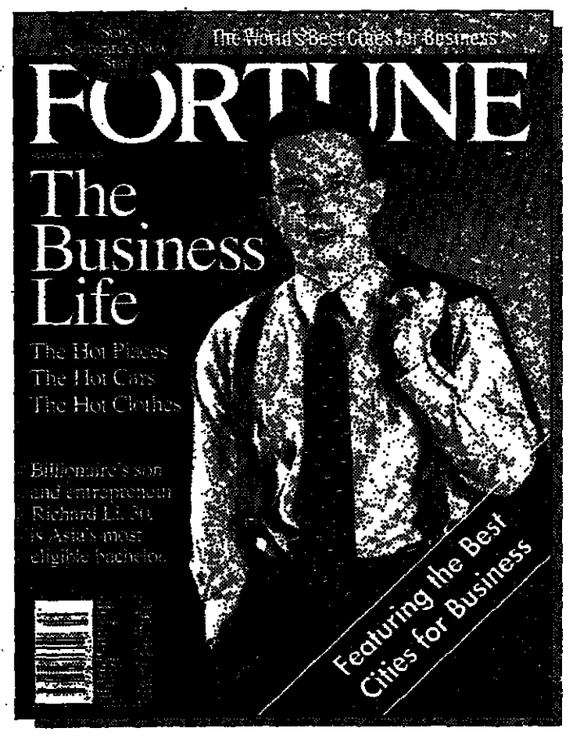
Agence France-Presse

JERUSALEM — A Palestinian child was hopitalized here Sunday in critical condition after being beaten by a Jewish settler at Beitar in the West Bank, hospital officials said.

"If the child pulls through, it is highly likely he will suffer serious long-term damage," a doctor at Haddassah hospital told Israeli television. The boy had been accused of throwing stones at cars. A settler was arrested, the television said.

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EDITORIALS

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Looming Catastrophe

Terrible things are going on in Zaire. The ethnic wars between Hutu and Tutsi in Rwanda and Burundi have spilled over into eastern Zaire, which holds refugees of both ethnic groups. At the same time, Zairians are playing out an old feud with long-established Tutsi immigrants.

These tensions aggravate each other and threaten to spread armed conflict. They create what the United Nations High Commissioner for Refugees, Sadako Ogata, terms a looming humanitarian catastrophe.

Burundi and Rwanda have become metaphors not only for a seemingly irremediable condition of African ethnic conflict, genocide and chaos but also for a condition of relative Western detachment.

The United States leads in humanitarian relief for the affected peoples. *But neither it nor the United Nations* nor other friendly states have been able to muster an effective military intervention or much of a diplomatic or rebuilding initiative, either. This has produced a strange combination of Western guilt at the feebleness of the international response and relief at avoiding being drawn into these African conflicts.

Recently the United States put forward a proposal for a Western-sponsored, African-manned intervention force that would try to deal with the continent's exploding, forsaken Burundis and Rwandas. Secretary of State Warren Christopher gave it an airing on his swing around Africa earlier this month. France was very cold to the idea, which nevertheless deserves to be explored.

Uganda is cited as a model of comeback from deep disaster.

Still, it is hard to think that Burundi and Rwanda will soon be up to taking the steps required to come back from their brink.

That leaves the "humanitarian catastrophe" of which Mrs. Ogata warns to be addressed right now. Tens of thousands of women, children, sick and elderly are fleeing. The rising violence is forcing evacuation of foreigners who distribute relief.

The grimness of the prospect has induced immobility elsewhere around the world. Could a major new political *initiative break the spell? The other* day the United Nations sent a special envoy, somebody obscure, to the region. This is the old style.

Suppose President Bill Clinton, President Jacques Chirac, UN Secretary-General Boutros Boutros Ghali, Mrs. Ogata, the heads of the World Bank and the International Monetary Fund invited the leaders of Rwanda, Burundi and Zaire in for a day's discussion. It could turn hand-wringing into the high-level political jolt that the parties desperately need.

—THE WASHINGTON POST.

Unpaid in Russia

The International Monetary Fund has suspended a lifeline loan to Russia, citing that country's inability to meet its targets for revenue collection. This sounds like a dry and technical matter, but what is really at stake is Russia's viability as a state.

So far this year, Russia's government has managed to collect only about two-thirds of the taxes owed it. Last month it managed only about half. Russia's defense minister warned on Friday that the army is on "the brink of undesirable, and even uncontrollable developments" because Moscow has lagged so badly in paying wages and providing housing.

Across Russia, strikes are routine as teachers, nuclear power workers and others complain of not getting paid for months at a time. Even tax collectors aren't getting paid. And up in space, sewage tanks on the Mir space station, home to two cosmonauts and an American astronaut, are threatening to overflow because a cargo-rocket hookup has been delayed.

Russia has been enduring privations and crises for a half-decade, so there is a tendency to assume that it can muddle through anything. Defense ministers play up their troubles as a tactic in Moscow's budget games. The International Monetary Fund, which suspended and then resumed loan payments once before, hopes to get its economic program back on track in a few weeks.

But the current crisis reflects fundamental problems. Russia accomplished something remarkable when it squeezed inflation out of its system, but stabilization has not yielded the expected upturn in economic growth. One reason is that reforms remain so half-baked, the economy only half-privatized. Property rights, land ownership, contract and bankruptcy laws — none of these are clearly in place, as they now are in Poland and other formerly Communist nations.

Moscow's swollen bureaucracy has kept its hand far too deep in economic matters. The result is corruption and lack of accountability. Those with ties to natural-resource exporters — old-time company directors and their government allies — are still getting rich. Many others are suffering. And when wages or taxes go unpaid, no one suffers any consequences.

There is no mystery about which giant companies are not paying taxes, but forcing payment now will require strong leadership. President Boris Yeltsin may be too ill or distracted by his upcoming surgery to provide it. Prime Minister Viktor Chernomyrdin seems too comfortable with the status quo. Some now put their hopes in Mr. Yeltsin's chief of staff, Anatoli Chubais, who understands the scope of Russia's dilemma.

At the moment, Russia seems incapable of providing the most rudimentary services of a state: law enforcement, military security, minimal social protection. Regions with oil or timber or other resources are getting by, while those that previously relied on Moscow for help — the majority of provinces — get poorer and poorer. And while Russia's military establishment remains far too large, the current method of forced and makeshift downsizing could prove destabilizing.

—THE WASHINGTON POST.

A Message for Tirana

Many formerly Communist societies are now finding that junking their totalitarian governments was easy compared with getting rid of totalitarian thinking. Although Albania now has the infrastructure of a European democratic system, its politics offer proof of this discrepancy. Reasonably free and fair local elections in Oct. 20, marred by the government's veto of impartial observers and by some incidents of intimidation, were an unusual piece of positive news about Albanian democracy.

President Sali Berisha, who was once a Communist but now heads the misnamed Democratic Party, is essentially running a one-party state.

Albania has one, state-owned, television station and no private radio.

Independent journalists and politicians are harassed. Mr. Berisha's most charismatic opponent is in jail on what many believe to be trumped up charges. The police and judiciary are essentially Democratic Party organs.

Albania conducted parliamentary elections in May, which were rigged by the Democratic Party and boycotted by the major opposition parties. Afterward, police clubbed demonstrators protesting the fraud. Despite the calls of most outside voices for new elections — the United States notably absent — Mr. Berisha seated the Parliament. Its composition is significant, as it will vote on a new constitution and decide next spring whether Mr. Berisha gets another term.

America has muted its criticism over the years largely because Mr. Berisha urged moderation on ethnic Albanians living in Macedonia and in Serbia's Kosovo region. For various reasons, including the end of the Bosnia war and less threatening rhetoric from Slobodan Milosevic, Serbia's president, these areas are no longer as explosive.

Since May, Washington has begun to raise its voice. It is pushing Albania toward needed basic reform, including a new constitution written with broad participation and put to a referendum. The relative fairness of the recent elections does not mean that Mr. Berisha has become a democrat, only that he can behave like one when he needs to. Albania is the poorest country in Europe, and Mr. Berisha desperately needs good relations with America. Washington should make him earn them.

—THE NEW YORK TIMES.

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From The New York Times, a Clinton Endorsement

This editorial appeared in Sunday's New York Times.

WE ENDORSE the re-election of President Bill Clinton.

Readers of this page will know that we *share many of the public's concerns* about Mr. Clinton's resoluteness and sensitivity to ethical standards in government. But our endorsement is delivered in the unequivocal confidence that he is the best candidate in the field and in the belief that because he has grown in the job he can build on the successes of his first term while correcting its defects.

Toward that end, our endorsement comes with a set of recommendations for how Mr. Clinton can, before election day, address voters' concerns about *his* personality and character.

First, however, we want to outline the case for Mr. Clinton's re-election based on policy, performance and growth in office. Our view of him mirrors that of millions of swing voters who are choosing him over Bob Dole and Ross Perot.

Mr. Clinton is clearly the candidate of hope and progress in this race. No one can doubt his commitment to using government to spur the economy, protect the environment, defend the cities, promote racial justice *and combine compassion* with fiscal prudence.

The choice of Mr. Clinton is easier because of Mr. Dole's halting campaign. Neither his 15 percent tax cut nor his wild charge that newspapers have pulled their punches on Whitewater stands the test of logic or represents him at his best.

Mr. Dole is a good man whose service on behalf of the nation, in the army and the Senate, will be well remembered. Indeed, many voters are dismayed that he has strayed from his moderate record and look to Mr. Clinton as a protection *from Republican excess.*

A Revived Party and Presidency

But a vote for Mr. Clinton is more than a defensive measure. He is clearly the most skilled navigator of today's contrary political seas. Even his most notable defeat, on health care, arose from his correct judgment that Americans want universal, affordable coverage.

Mr. Clinton understands that the electorate makes contradictory demands. Voters are sullen and suspicious about government, yet anxious that it serve them. Americans have grown conservative, yet they want their interests and values protected.

Mr. Clinton's presidency has tacked this way and that, in part because it had to. He always calculates how far he can go and at what cost. We have disagreed with some of his calculations, but over the past two years he has not only revived his presidency, he has also refashioned the Democratic Party's approach to government.

Some argue wrongly that Mr. Clinton has had no sense of direction. In several areas, though, he has picked his destinations and risked his political interests to get there. The pattern of the last two years provides a template for success in a second term.

The Economy

The campaign has produced no more fallacious statement than Mr. Dole's assertion that the nation has the worst economy in 100 years. The real situation is that Mr. Clinton's drive toward a balanced budget has helped keep interest rates low and promote an economic expansion now in its fifth year.

Mr. Clinton stood up to the spendthrifts in his own party at the start of his term. He curbed the federal deficits that had piled up over years of Republican presidents proclaiming devotion to fiscal conservatism. Yet he wisely opposed a balanced-budget amendment that would tie a president's hands in a military or fiscal emergency.

He raised taxes primarily on those most able to pay, while pushing through one of the most important initiatives of his presidency, the earned-income tax credit, which channeled billions of dollars into the poorest segment of the workforce and lifted more than 3 million people out of poverty.

International Trade

Today both parties are driven by differences over trade, which accounts for a third of the economy. The temptation to demagogue about job flight is ever present. Yet Mr. Clinton has performed with a tough sense of purpose, helping to educate the public that foreign competition cannot be wished away.

Although accused of unwillingness to take on his own party's interest groups, Mr. Clinton bucked the Democratic leadership to secure the free trade agreement with Canada and Mexico. He then went on to support the global trade agreement that created the World Trade Organization.

At the same time, he has been more aggressive in pressing Japan and China to open their markets.

Foreign Policy

In 1993, Mr. Clinton lacked experience in foreign affairs, and he stumbled early by confusing consultation with leadership when it came to Bosnia. Now he is regarded internationally as a leader with a sophisticated grasp of a superpower's obligation to help the world manage its conflicts and economic contests.

The hallmark of this new sophistication is Mr. Clinton's timing of those moments when U.S. prestige and resources can be decisive. His decision to throw political and financial support behind *the election of President Boris* Yeltsin in Russia, then mired at below 10 percent in the polls, was a successful, high-risk intervention.

In applying U.S. prestige to the Middle East process of reconciliation, Mr. Clinton was building on a bipartisan tradition. But without his intense efforts the process would have foundered.

In Bosnia, Mr. Clinton ignored persistent bad advice about how to use force, invented a peace process from the most unpromising situation and finally stabilized a war that posed a security threat to Europe and endangered NATO.

Health Care

In the field of health care, the Clinton administration failed through a toxic combination of hubris and secrecy. But Mr. Clinton was headed in the right direction. Americans need and want a health care system, that covers everyone and keeps costs down through competition.

If he is re-elected, the journey toward this valuable goal will continue. If Mr. Dole is elected, that journey will end, and the assault on Medicaid and Medicare will continue. Instead of quality care for all, the country will move toward making Medicare a second-class program for the elderly poor and toward a health insurance system favoring the affluent and the healthy.

Political Values

The last few years have seen an ugliness of tone in U.S. politics toward the poor, minorities and immigrants. Mr. Clinton, has been the most important voice for conciliation, but even he has bowed to expediency.

We opposed his signing of the welfare bill, but he has promised to ease its unfair attacks on the poor and legal immigrants. His lack of backbone on this issue was at least balanced by a courageous stand in favor of affirmative action.

In sharp contrast to the two previous administrations, Mr. Clinton has used common sense on guns. By supporting local police, he erased the Republicans' unearned copyright on the crime issue. He has defended choice on abortion, and his re-election will help produce a Supreme Court that protects this and other freedoms.

Another value asserted by Mr. Clinton is reverence for the earth. Electing the Democratic ticket will return to office Vice President Al Gore, the most knowledgeable and consistent defender of the environment *in Washington.*

Mr. Gore converted Mr. Clinton from a relaxed to a muscular guardian of clean air and water. In a second term they can generate a new wave of sensible environmental laws.

Ethics

Obviously, we could not ask our readers to vote for Mr. Clinton without addressing his most significant leadership problem. Many Americans do not trust him or believe him to be a person of character.

We do not dodge that issue, nor should Mr. Clinton. Indeed, he must view it as a prime opportunity of his second term. A fraction of the electorate, of course, will never forgive his reputation for philandering. But he can reclaim the trust of the great majority by demonstrating a zeal for financial integrity and for protecting the machinery of justice from politics.

Toward that end, we urge him to close the campaign with a series of dramatic gestures. First, he should accept the Republican dare and pledge not to pardon anyone convicted in prosecutions arising from Whitewater, the White House travel office firings, the mishandling of FBI files, or the raising of funds for the 1996 campaign.

He should promise that he, the first lady and every member of the executive branch will cooperate with all investigations, whether they are from the Justice Department, special prosecutors or congressional committees.

Next, he should deal with his party's Indonesian fund-raising scandal by acknowledging that both parties' financial practices are wrong even if not illegal. He can then credibly pledge to recapture one of the main themes of his 1992 campaign.

We saluted then and we still believe in the stirring call in his inaugural address "to reform our politics so that power and privilege no longer shout down the voice of the people."

The Democratic congressional leadership talked him into shelving campaign finance legislation because their members wanted to keep lapping up contributions from political action committees. Now is the moment for Mr. Clinton to renew his promise by sponsoring campaign laws that end foreign donations and "soft money" dodges and that give all credible candidates a level playing field when it comes to mail and advertising.

Such dramatic pledges would do more than defuse the criticisms of Ross Perot and Bob Dole in the closing days of this election. They would also enlist public opinion on Mr. Clinton's side as a protection against Republican excesses in the congressional investigations that are coming whether Mr. Clinton opts for openness or sticks to the hunker-down strategy that has done his administration such damage.

More important, Mr. Clinton would be demonstrating that he regards winning on Nov. 5 as a necessary prelude to the important work that lies ahead.

His original vision of a country where no one waits for health care, social justice and economic opportunity to trickle down is still valid. His education in the leadership burden that rests on the world's strongest nation and its president has proceeded more rapidly and successfully than anyone could have dared hope.

The presidency he once dreamed of is still within his reach if he brings the requisite integrity to the next four years. By adding self-discipline to vision, he can build on the achievements he has already made and make a fair bid to leave Washington in 2001 as one of the notable presidents of the 20th century.

—THE NEW YORK TIMES.

OPINION

Foreign Affairs: Grand Bargain With an Educated Congress

By Thomas L. Friedman

WASHINGTON — Whoever wins America's presidential election will have to launch an intense round of diplomatic negotiations.

The president won't need Air Force One to get to these talks. The limo will do. He will, however, need a translator. Because his first foreign affairs negotiation is going to have to be *with the 105th* Congress.

The foreign affairs budget has been cut so sharply (51 percent in real terms since 1984) and America is now so deeply in arrears to the United Nations, the World Bank and the World Health Organization (which are owed more than $2 billion) and the foreign aid budget has been reduced so far (Egypt and Israel now get almost the whole thing) that the president's ability to maintain U.S. leadership and conduct real preventive diplomacy will be severely handicapped unless he can cut a grand bargain with Congress.

So little discretionary money is left in the foreign affairs budget that the only way to pay for the recent elections in Bosnia was to take the money away from the NATO expansion program, Partnership for Peace.

One reason the Kurds in Northern Iraq got embroiled in a civil war was a fight over money, after America failed to come up with aid. The only way it can help fund the Guatemalan peace process is to take money away from the Haitian one.

More U.S. ambassadors have been killed than U.S. generals since World War II. No matter, Congress ordered the Pentagon to spend $6 billion more than it asked for last year, while telling the State Department to close 30-some embassies and consulates and shut down 25 percent of the USIA libraries around the world, which spread the gospel of democracy and free markets.

Few people at State have access to the Internet at their computers because there isn't money to buy modems.

There is nothing wrong with trimming the foreign affairs budget or streamlining the system. But it should be done with a sense of priorities, not by putting on a blindfold and hacking away.

Look where we are today.

An increasing share of U.S. income now comes from exports. American values are triumphing from Mongolia to Moscow. American quality of life is now much more threatened by global trends — the Ebola virus, population explosions, environmental disasters or the chaos of countries melting down from within — than from any armed foe.

Precisely at such a moment, America is trashing the United Nations, underfunding development banks that help countries help themselves, closing embassies and telling the Pentagon to spend more than it needs. *That's insane.*

What to do? The next president must take this issue up with Congress *himself.* He personally has to make it a priority. He should enlist the Joint Chiefs of Staff in his lobbying. Let the generals explain to Congress the importance of having sufficient diplomatic resources so that troops are not the only option.

Mr. Clinton, if he does win, should appoint several well-known Republican foreign policy figures to his team. Without a real bipartisan approach, no progress on the foreign affairs budget will be possible.

Finally, the next president will have to embark on a major re-education campaign with Congress. That core group of senators who supported foreign aid and traveled the world is retiring: Sam Nunn, Mark Hatfield, Bill Bradley, William Cohen, Claiborne Pell, Nancy Kassebaum, *Paul Simon*, Hank Brown, Bob Dole.

The president needs to help nurture a whole new foreign policy generation, and he could start by giving them political cover for traveling.

Lawmakers, fearful of being accused of junketing, don't travel anymore. Those who don't travel don't know. Those who don't know don't care.

The New York Times.

Clinton's Line Is Internationalist

By Stephen S. Rosenfeld

WASHINGTON — You can say this for Bill Clinton in his drive for re-election: He is dodging Bob Dole's tough but fair attacks on the way he has handled specific issues in foreign policy, but he is sounding a general call for a realistic brand of internationalism.

He flees from close attention to his record but, on good days, *uses the campaign to build popular support for America's involvement in the world.*

Like Mr. Dole, Mr. Clinton comes from the internationalist wing of his party. The two most prominent political figures of the day differ mainly just in emphasis on what a post-Cold War policy should be.

Neo-isolationism is not dead in Congress. The Republican right presses a damaging *foreign affairs budget austerity,* and the Democratic left squeezes on trade. But a more careful internationalism marks the two parties' mainstreams.

This inhibits partisan debate. It also builds a broad foundation under a sensible policy and ensures a smooth transition to the next administration, no matter who heads it.

Mr. Clinton would enter a second term personally more confident and politically better grounded than he was in his early White House years. He should be readier to provide leadership and initiative.

Certainly, a good deal more will be expected of him in this department than he delivered the first time around.

When he is in his futurology mode, he can sound as if what really fascinates him about the world is not foreign policy in the familiar sense of the game of nations but a New Age philosophical rendering of a "global economy and of a global information age that's sort of *bound people together with rapid* movement of ideas, of information, people and money across national borders and the rapid movement of problems across national borders."

He picked up the same theme last week in a speech in Detroit, proclaiming that "the blocs and barriers that defined the world for previous generations will continue to give way to greater freedom, faster change, greater *communications and commerce* across national borders, and more profound innovation than ever before; a century in which more people than ever will have the chance to share in humanity's genius of progress."

In the same speech, however, he shifted his focus from a technology-driven Utopia to what most of us would regard as workaday reality.

Neo-isolationist "escapism," he said, "is not *available* to us because at the end of the Cold War, America truly is the world's indispensable nation. There are times when only America can make a difference between war and peace, between freedom and repression, between hope and fear.

"We cannot and should not try to be the world's policeman. But where our interests and values are clearly at stake, and where we can make a difference, we must act and lead."

"The indispensable nation" — he now uses the phrase with some frequency. It has an internationalist ring but allows for selective application.

Any president elected now, however, has to go beyond slogans. Tough choices have to be made to fill out the daily substance of policy. The key choice, I would say, lies between a policy devoted to putting out fires, which will be constant, and one aimed more at affecting conditions down the road.

A choice between tactics and vision. Don't knock tactics; good responses to immediate challenges solve problems and steer the future the right way. But don't undersell vision or strategy; it can help ensure that energies and resources, including political resources, are used with economy and purpose.

Mr. Clinton, of course, wants to do both. "Through our size, our strength, our relative wealth and also through the power of our example," he says, "America has a unique ability to shape a world of greater security and prosperity, peace and freedom." Well, yes.

You can't draw a blueprint, but you can exercise intelligence and care. It's possible.

The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1896: Pact Disclosed

BERLIN — A painful impression has been produced by the indiscreet disclosures from Bismarckian quarters with regard to the secret Russo-German agreement. The papers sharply reproach Prince Bismarck for this breach of diplomatic custom. The Russo-German agreement was concluded in writing in 1884 by the Ministers of the two States in the name of their respective sovereigns. The treaty was not communicated to the other Powers. The agreement bound the two contracting parties to observe a benevolent neutrality in the event of either being attacked, without provocation, by a third Power.

1921: U.S. Celebrates

NEW YORK — Theodore Roosevelt's birthday was widely celebrated to-day [Oct. 28] all over the country, the Governors of most States issuing special proclamations for the observance with appropriate exercises in the public schools. There were special ceremonies in connection with the opening to the public of Roosevelt's birthplace in this city by the Roosevelt Memorial Association.

1946: A Czech Plea

NEW YORK — Jan Masaryk, Czechoslovakia's Foreign Minister, told the United Nations that Czechoslovakia stands guard over "the very heart of Europe," and appealed before the Assembly for unanimous agreement among the great powers, because that way "little countries will have a much better chance." He declared that Czechoslovakia wishes "to live in friendship and political and economic cooperation with all free, democratic countries," and scoffed at talk of an "iron curtain."

مكتبة الرمل

هكذا من الأصل

LANGUAGE

Are Soccer Moms the Key to the Election?

By William Safire

WASHINGTON — As the presidential campaign of 1996 enters its final week, its most powerful catch phrase has just been determined. Neither candidate coined it. No commentator had a hand in it. The phrase is to this campaign what *gender gap* was to the Bush-Clinton coverage in 1992 and the catch phrases *angry white male* and *Contract With America* were to the 1994 congressional contest.

The envelope, please. And the winner is: *soccer mom!* The columnist Ellen Goodman of The Boston Globe calls 1996 "the Year of the *Soccer Mom*." The British correspondent Hugh Davies, writing in The Daily Telegraph of London, notes: "The *soccer moms* of America are being pursued for their votes. . . . They run around in four-wheel-drive 'recreational vehicles' and need to be reassured that someone in Washington is thinking of them."

Who is this *soccer mom*? Does she play soccer? No. Is she the mother of a soccer player? Yes. "She is someone who brings children to practice and to games," says Kit Simeone, of the United States Youth Soccer Association, the fastest-growing unit of the National Soccer Federation. "Kids' soccer teams consist of 14 players, so there are usually six of these moms per team. Figuring that there are 5 million kids under 19 who play soccer, I estimate there are at least a million *soccer moms*."

What characterizes such a parent? She often drives a sports-utility vehicle or a minivan, carries snacks and orange juice for the kids, sometimes takes along extra lawn chairs. She can be a full-time homemaker or can also work outside the home. The *soccer mom* is an enthusiast: "Every Saturday," says Cathy Mayne, who helped lead the effort to introduce major-league soccer to Columbus, Ohio, "I'm up in time to bring my 7-year-old and a neighbor's son to an 8 A.M. game, and there's a lot of camaraderie among the parents on the sidelines."

The phrase is to this campaign what 'gender gap' was to the Bush-Clinton coverage in 1992 and 'angry white male' in 1994.

But what gave the phrase its political coloration, and when? "As an identifiable group with shared values and opinions," says Harrison, "we were first distinguishable in the mid-'80s. And we were usually uncommitted politically; that's why all presidential candidates started seeking the *soccer mom* vote."

In the Nixon years, working-class men — especially union members in the construction trades — were known as *hard hats*, and affected elections as they switched political allegiance from Democrat to Republican. In the 1980s, they became "Reagan Democrats"; in the '90s, many unions have sought to woo them back to the Democratic fold.

(Soccer dad is not a phrase in use, perhaps because of the recent coinage of *deadbeat dad.)* But *soccer moms* are not exclusively working class — *many* are upper-middle-class suburbanites — and they tend to be hardheaded rather than hard-hatted: "This is a year of pragmatic politics when people are looking for answers," in the columnist Goodman's formulation.

Other analysts think of this mom as being in her 30s, harried, family-oriented, carpool-pallored, ethnically diverse, with her vote up for grabs. And as the *soccer mom* goes, so goes the election, if she's not too tired to get to the polls.

□

The vanishing art of virulent vituperation got a lift the other day when The Sunday Times of London took after Sarah Ferguson, the recently divorced Duchess of York. The newspaper became incensed when a book purported to reveal the dalliance of "Fergie" with a Texas millionaire while she was pregnant with her daughter Eugenie; this episode, coupled with the duchess's continuing Concorde-jet life style while more than $7 million in debt, moved the editorialist to decry her "puerile nature and incontinent ways" and to denounce her behavior as "louche and loose."

The unfamiliar adjective, originally French for "cross-eyed," is rooted in the Latin *luscus*, "blind in one eye." In English, early in the 19th century, *louche* came to mean "oblique, not straightforward," and in a shameful linguistic abuse of a physical disability, has since pejorated to "disreputable, indecent."

(I have long needed a verb for "to worsen in meaning," and have just back-formed *pejorate* from *pejorative*, based on the Latin *pejorare*, "to make worse." Now I can pejorate all I want; is this a great language, or what?) So there is our last duchess hanging on The Times's wall, not only *louche* but also *puerile*, "childish" in the sense of "silly" (not "childlike," which is cute), a 17th-century adjective from the Latin *puer*, "boy." The other adjective chosen to castigate her is *incontinent*. In olden times, this meant "failing to restrain sexual appetite," as in the 1380 usage "an incontinent monk," but in 1828 Noah Webster noted the word had also gained the meaning of "unable to retain natural evacuations." Because that meaning, especially regarding damaged bladders, is now dominant, I would no longer use it in the more general sense of "showing unrestrained behavior."

BRIDGE

By Alan Truscott

DURING the World Championship, on the Greek island of Rhodes, the Canadian team lost a match against Colombia in spite of a brilliant effort by Fred Gitelman on the diagramed deal.

As South, Gitelman arrived in five diamonds after his partner had made a forcing raise to two diamonds, and would surely have failed, but East had made a takeout double. This was highly revealing, for Gitelman now knew East was short in diamonds and held length and all the missing strength in the other suits.

After winning the heart ace, he cashed the diamond king, finessed the jack successfully and played the ace. He then played the spade queen, and East took the ace and played the heart king. South ruffed, cashed the spade king, and looked happily at West's ten. Now the six was the crucial card. He crossed to the club ace, led the spade eight for a finesse that was likely to succeed and ruffed dummy's remaining heart. Now the spade jack provided a discard of a club, and a club was eventually ruffed in the dummy.

In the replay, Colombia overbid to six diamonds, which would make on a very good day. As East had not entered the bidding, South had no clue to the play and failed by two tricks.

NORTH
♠ Q 8 7
♡ 9 7 5
◇ A J 9 3
♣ A Q 2

WEST
♠ 10 4
♡ J 4 3 2
◇ Q 7 5
♣ 10 8 7 6

EAST
♠ A 9 5 3
♡ K Q 10 8 6
◇ 6
♣ K J 3

SOUTH (D)
♠ K J 6 2
♡ A
◇ K 10 8 4 2
♣ 9 5 4

Neither side was vulnerable. The bidding:

South	West	North	East
1 ◇	Pass	1 ♡	Dbl.
2 ♣	Pass	3 ♣	Pass
3 ◇	Pass	3 ♠	Pass
5 ◇	Pass	Pass	Pass

West led the heart two.

BOOKS

PLOTTING HITLER'S DEATH: The Story of the German Resistance

By Joachim Fest. Illustrated. Translated by Bruce Little. 419 pages. $30. Metropolitan Books/Henry Holt & Co.

Reviewed by
Christopher Lehmann-Haupt

FEW PEOPLE aware of 20th-century history are unfamiliar with the bomb in the briefcase planted by Count Claus Schenck von Stauffenberg that Hitler unaccountably survived when it exploded in his East Prussian headquarters early in the afternoon of July 20, 1944.

Yet posterity has misunderstood this event, Joachim Fest argues in his arresting new book, "Plotting Hitler's Death." Just as Hitler wished, the July 20 plot has been remembered as the work of what he called a "very small clique of ambitious officers."

As Fest recounts history's judgment of the conspirators, "Some writers have even suggested that the opposition decided to act only when it was clear Germany would go down to defeat — and solely for self-seeking reasons." A view soon gained currency "that the old aristocracy, dismayed at its waning power, hoped at the last minute to mask its long collusion with the Nazis and thereby retain its privileges, property, position and influence."

Too little was done too late, Fest's summing up of this argument concludes, and the feeble resistance only managed "to betray the fatherland in its hour of need."

So goes the case against a German resistance to the Nazis, but the truth is really otherwise, writes Fest, a former editor in chief of the daily Frankfurter Allgemeine Zeitung and the author of two previous first-rate books on the Nazi era, "Hitler" (1974) and "The Face of the Third Reich" (1970).

In fact, the Stauffenberg bombing was the tip of a conspiracy that was widespread, long-lasting and selfless almost to the point of being romantic. In fact, Fest argues, despite its having occurred in the 11th hour of the war, if it had succeeded it might have accomplished much in the way of reducing casualties and destruction. To document his case, he takes us through the Nazi era from Hitler's assumption of the chancellorship on Jan. 30, 1933, to the fall of the Third Reich in April 1945.

One major impediment to the conspiracy's success was that any attempt to get in touch with the Allies was viewed by them as an act of high treason. Fest argues that so much worked against the rebels that only their strong convictions sustained them, yet these same strong convictions made cooperation difficult. But if the Stauffenberg bombing failed in its practical purpose, it achieved a moral victory by purifying its participants and revealing to the world that opposition to Hitler existed.

Where paradox evaporates is in the dramatic account of the July 20 plot, which makes clear precisely what went right and wrong. After all the failure of will, Stauffenberg's appearance on the scene is like a gauntlet brushing aside mittens. Fest writes of how, for Stauffenberg, "moral issues came more and more to the fore" and influenced "a decision best summarized by his laconic answer to a question asked of him in 1942 about how to change Hitler's style of leadership: 'Kill him.'"

Yet Stauffenberg, too, had his shortcomings, failing to understand that by arming the second bomb in his briefcase he would have more than doubled the impact of the blast and assured the death of everyone in the crowded briefing room, including Hitler.

This failure had grim consequences, rarely depicted in such detail. Besides describing the Gestapo's torture and execution of suspects and the revenge visited upon even the distant members of the conspirators' families, Fest makes the point that, according to one study, "while slightly more than 2.8 million German soldiers and civilians died during the nearly five years between the beginning of the war on Sept. 1, 1939, and the attempt to assassinate Hitler on July 20, 1944, 4.8 million died during the nine and a half months before the war ended in early May 1945."

Christopher Lehmann-Haupt is on the staff of The New York Times.

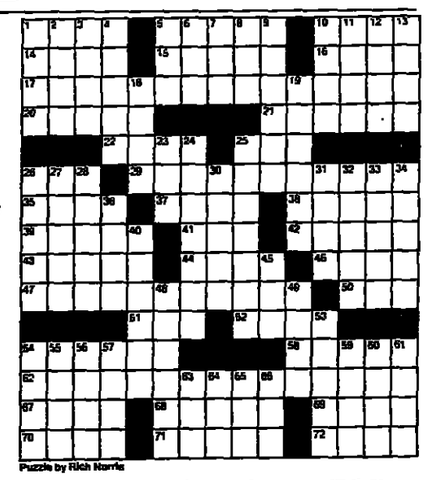
CROSSWORD

ACROSS
1 Friendly
5 Pro —— (perfunctory)
10 Vegas calculation
14 Lip balm ingredient
15 Ryan or Tatum
16 *Urban unrest*
17 National monument dedicated *10/28/1886*
20 Show respect for
21 Dress
22 Fairy tale villain
25 Spies' org.
26 PC key
29 47-Across poet
35 *Farce*
37 "—— Like It Hot"
38 *Clear the blackboard*
39 *Ambulance wail*
41 *Coffee alternative*
42 Catnapper
43 First month of the año
44 Bed-and-breakfasts
46 Kids' indoor ball material
47 Poem inscribed on 17-Across, with "The"
50 Draft org.
51 Place for thieves
52 Send out
54 Lawrence of Arabia portrayer
58 Cry of delight
62 President who dedicated 17-Across
67 Take it easy
68 Adhesive resin
69 Huron, for one
70 Watcher
71 "The Divine Comedy" poet
72 Examine closely

DOWN
1 Do the dishes
2 Palo ——, Calif.
3 Horse with a gray-sprinkled coat
4 "Ditto"
5 Enemy
6 Songstress Yoko
7 N.B.A. official
8 —— de mer (seasickness)
9 Silverstone of "Clueless"
10 Lunch box treat
11 Grime
12 Biblical verb
13 Eye inflammation
18 Prod
19 Burned brightly
23 Apt. divisions
24 *Strong feeling*
25 Make pure
28 *German city north of Cologne*
27 "Rise and ——!"
28 Seven-time A.L. batting champ Rod
30 Prayer responses
31 Elvis —— Presley
32 Utterly destroys
33 Computer operators
34 Feudal workers
36 First planet: Abbr.
40 Piece of pasta
45 Total
48 Gave a longing look
49 Small, medium or large
53 Turnpike tabs
54 Give a longing look
55 Waiter's load
56 Seep out
57 *Finished*
59 W.W. II females' service grp.
60 Durante's "—— Dunka Doo"
61 Idyllic place
63 *Tax return* preparer, for short
64 Actor Chaney
65 Abbr. after a telephone number
66 Eustacia of "The Return of the *Native*"

Solution to Puzzle of Oct. 25

P	A	P	A	D	O	C		S	E	R	A	P	H	S
O	M	I	G	O	S	H		A	T	E	C	R	O	W
R	E	G	A	T	T	A		Y	E	A	R	O	N	E
T	R	I	T	E		P	C	S		P	E	T	A	L
E	I	R	E		F	E	L	O	N		S	E	L	L
N	C	O		S	T	R	O	K	E	S		S	E	E
T	A	N	G	E	L	O	S		E	M	O	T	E	D
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O	F	N	O	T	E		C	O	L	L	E	C	T	S
U	R	B		A	N	N	A	B	E	L		L	A	W
T	E	A	S		J	E	L	L	S		B	E	N	E
B	E	G	A	N		A	L	E		G	R	A	T	E
A	M	A	T	E	U	R		M	I	N	I	V	A	N
C	A	M	I	L	L	E		E	T	A	G	E	R	E
K	N	E	E	L	E	R		N	E	W	S	D	A	Y



Puzzle by Rich Norris

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BRING TO JUSTICE WAR CRIMINALS NOW AND FOREVER

INTERNATIONAL CRIMINAL COURT: NOW IS THE TIME

A permanent ICC is the only real deterrent to crimes against humanity, war crimes, agression and genocide.

We, the undersigned, Parliamentarians from around the world

LAUNCH A SOLEMN APPEAL

that, barring any obstacles, the UN General Assembly during its 51st session, renew the mandate of the Preparatory Committee and take the decision to convene a founding Plenipotentiary Conference for the *institution of an International* Criminal Court by the end of 1998

"Civilization asks whether law is so laggard as to be utterly helpless to deal with crimes of this magnitude by criminals of this order of importance. It does not expect that you can make war impossible. It does expect that your juridical action will put the forces of International Law, its precepts, its prohibitions, and, most of all, its sanctions, on the side of peace, so that men and women of good will, in all countries, may have leave to live by no man's leave, underneath the law."

These are the words of the chief prosecutor Robert H. Jackson in his opening speech at the Nuremberg Trials, in 1945. Fifty years later, after the worldwide proliferation of war crimes and crimes against humanity, the international community has finally achieved enough momentum in the establishment process of a permanent International Criminal Court (ICC), that the actual creation of this institution has become a reality.

In 1989, at Trinidad and Tobago's request, the United Nations once again turned their attention towards the creation of this court. Public outrage at the horrors committed both in former Yugoslavia and Rwanda triggered the creation of the ad-hoc tribunals.

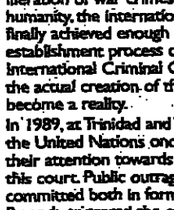
From the beginning, the Transnational Radical Party and No peace Without Justice have played a leading role in promoting the establishment of the ad hoc tribunals as well as the ICC, together with other NGOs committed to these causes.

In August of this year, after the great deal of work and progress made by the *Preparatory Committee* at the United Nations discussing the ICC, a definite date for the convening of a Diplomatic Conference to finalize a treaty for such a court was finally proposed: 1998.

We call on all parliaments and governments to show their commitment to the furtherance of world peace by voicing their support for this 1998 date at the 51st session of the General Assembly.

With the establishment of this court, the world will create a powerful deterrent to the horrors and atrocities that threaten mankind and will strengthen the foundations of peace and justice for the generations to come.

"NO PEACE WITHOUT JUSTICE"
is an international committee of parliamentarians, mayors and citizens founded in 1994 in order to support the creation of a new international justice.



The Goals of the committee are:
* The creation of a new international system of guarantees and jurisdiction;
* The reform and development of international organizations at both the regional and global level;
* The institution, by the U.N. General Assembly of a Permanent International Court and the calling of an International plenipotentiary conference sponsored by the UN, to finalize a treaty for such a court;
* Promoting public support for financing and adopting the national legislations for the ad-hoc Tribunals in the Former Yugoslavia and Rwanda;
* controlling the application of human rights within the national legislation of Member States to the UN Charter.

*European Parliament
A.ANDRE-LEONARD, C.AUGIAS, M.BALDI, V.BALDINI, R.BARZANTI, E.BENNASAR TOUS, G.P.BONIPERTI, R.BONTEMPI, E.CACCAVALE, B.CASTAGNEDE, P.CASTAGNETTI, M.DARY, R.M.DA SILVA VIEIRA, G.DEPREZ, B.DE GIOVANNI, G.DELL'ALBA, S.DE LUCA, G.DE VRIES, O.DUPUIS, M.ELLIOT, W.EWING, R.FASSA, E.FERNANDEZ-MARTIN, C.FERRER I CASALS, L.A.FLORIO, J.G.FORD, A.FOLQUE, R.GAROSCI, F.GHILARDOTTI, A.GOMOLKA, M.GREDLER, H.HAUTALA, F.HERMAN, U.HOLM, J.IMAZ, W.KREISSL-DORFLER, J.LARIVE, K.H.LEHNE, G.LEOPARDI, M.LINDEPERG, M.LINDHOLM, N.MAMERE, T.MANN, E.MARINUCCI, P.McKENNA, J.M.MENDILUCE, R.MEZZAROMA, J.MOORHOUSE, L.MORETTI, C.MUSCARDINI, R.NENCINI, K.E.OLSSON, L.ORLANDO, M.PANNELLA, P.PRADIER, V.REDING, C.RIPA DI MEANA, C.ROBLES-PIQUER, R.M.ROSADO FERNANDES, A.SAINJON, D.SAINT-PIERRE, U.SANBAEK, I.SANCHEZ-GARCIA, G.SANTINI, I.SCHORTING, M.SORNOSA MARTINEZ, A.SPAAK, F.SPERONI, B.STASI, K.STEWART, J.STEVENS, A.TAJANI, B.TAPIE, M.TAPPIN, C.TAUBIRA-DELANNON, K.TOIVONEN, J.VALLVE, N.VAN DIJK, H.VAZ DASILVA, L.VECCHI, G.WATSON, E.WIJSENBEEK

*Albania
B.AGASI, T.AJAZI, G.APOSTOLI, I.BACI, S.BALLA, S.BEJKO, B.BREGU, N.CELA, M.CELIKU, F.CEPELE, M.DERGUTI, A.ELMAZI, K.GINA, M.HOTI, S.HOXHA, S.JAKU, D.KACAJ, B.KOCI, H.KRUJA, H.LALAJ, G.LULI, P.MAJKO, K.MAKARIADHI, P.MALAJ, A.MECAJ, S.MEMISAJ, A.PALOKA, L.PERPALI, S.PUTA, V.SAZANI, I.SHEHU, L.SKUQI, A.SULA, T.UJKA, M.ZEQO, M.ZHEGA, A.ZYBERI

*Austria
R.ANSCHOBER, H.P.HASELSTEINER, K.MOTTER, G.OBERHAIDINGER, K.OELLINGER, H.PETER, M.PETROVIC, T.STOISITS A.WABL

*Azerbaijan
E.ABASOV, E.AGAMALIEV, D.AHMEDOV, N.ALEKPEROV, S.ALESKEROVA, G.ALIEV, S.ALIEV, C.ALIEVA, A.ASADOV, S.ASKEROV, T.BUNIATOV, Z.DULIAMALIEVA, G.DZHAFAROV, S.EJUBOV, Z.GARALOV, F.GEJDAROV, H.GORDZHIAEV, N.GULIEV, M.GUSEJNOV, S.GUSEJNOV, T.IBRAGIMLI, E.IBRAGIMOV, I.ISMAILOV, I.KAFAROV, E.KAGRAMANOV, A.KERIMOV, E.KISUMOVA, A.MAMEDHANOV, D.MAMEDOV, M.MAMEDOV, M.MUSAEV, B.MUSTEV, M.MUTILLIMOV, A.NAZIYEV, S.NOVRUZOV, H.RADZHABOV, A.RAGIM-ZADE, N.RASULOV, J.R.ZAEV, E.SADYHOV, E.SAFAROV, S.SAFAROV, A.SHIHBAZOV,

*Belarus
O.ABRAMOVA, M.AFANASJEV, A.DOBROVOLJSKIJ, M.GIRUTJ, A.KRASUTSKIJ

*Belgium
R.BIEFNOT, P.CHARDIER, G.CLERFAYT, C.CORNET D'ELZIUS, A.DESTEXHE, P.JONCKHEER, F.LOZIE, P.MAHOUX, J.MILQUET, P.MORIAU, J.SANTKIN, L.TOUSSAINT, D.VANDENBOSSCHE, P.VANGREMBERGEN, L.VANOOST,

*Belize
E.ARAGON, J.M.DEGBE

*Benin
S.HUSA

*Bolivia
G.CAPRA

*Bulgaria
I.ATANASSOV, I.ATILLA, P.BOKOV, S.GAYTANDZHIEV, N.HRISTOV, E.KAPUDALIEV, N.KISSYOV, C.KIURANOV, G.MALEV, D.MIHAILOV, Y.MINKOV, K.MOMCHEV, A.MOZER, I.NACHEV, N.NALBANTOV, R.OSMAN, M.RADEV, P.SHOPOV, S.STOYANOV, G.TAHIR, I.TATARLI, I.TRAIKOV

*Cambodia
S.KEM, C.SON, S.SON

*Canada
J.ENGLISH

*Chile
J.NARANJO ORTIZ, A.J.PALMA IRARRAZAVAL, J.ROCHA MANRIQUE

*Côte d'Ivoire
N.D.BAUDOUHAT

*Croatia
D.ADLESIC, M.ARLOVIC, S.BIGA-FRIGANOVIC, M.BUTKOVIC, P.CIMBELIC, B.FRANJUSIC, T.GANZA-ARAS, V.GOTOVAC, I.HERAK, M.IVANOVIC, M.JURJEVIC, I.KOLAR, Z.KRAMARIC, M.LAPAINE, B.LEVACIC, J.PANKRETIC, V.PRIMORAC, I.RADUS, S.RODES, Z.TOMACA.TUKIC, I.TRETINJAK, A.VUJIC, F.ZITNIK,

*Czech Republic
R.SPACEK, Z.TROJAN

*El Salvador
S.AGUINTADA C., E.A.DIAZ ALVAREZ, F.BLANCO,

*Netherlands
O.CHERIBI, W.DE BOER, J.HOEKEMA, TPTSTRA, J.PREHWINKEL, C.SCHOONDERGANG-HORIKX, E.TUINSTRA, R.VAN BOXTEL, T.VAN DENDOEL, J.VAN WALSEM, J.J.W.VAN WANIG, A.ZVERVER P.GOFF, D.R.LANGE

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*France
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*Georgia
Z.AKHMETELI, E.ASTEMIROVA, I.BATIASHVILI, A.FENDERAVA, E.GVAZAVA, G.PATSATSIA, A.TSOTSONAVA

*Germany
H.ALM-MERK, P.ALTMAIER, M.BECK, A.BEER, E.BRECHT, M.GANSEFORTH, R.HEMKER, V.KRONING, K.MULLER, I.NABHOLZ, W.NACHTWEI, G.PFENNIG, K.RBHBOCK-ZURBICH, R.RENNBACH, H.SAIBOLD, H.SCHERF, U.SCHMIDT, R. SCHWANITZ

*Guatemala
J.C.ACEVEDO HRDLITSCHKA

*Hungary
B.V.BERNATH, L.BERREGI, Z.ROCKENBAUER, O.SANDORFFY

*Ireland
T.BROUGHAM, J.CONNOR, T.ENRIGHT, M.FLAHERTY, T.GREGORY, A.REYNOLDS, A.SHATTER, E.WALSH

*Israel
H.HASAN, R.COHN,

*Italy
A.VALBANESE, F.ALOI, G.AMATO, F.ARMAROLI, F.ASCIUTTI, F.BESOSTRI, V.BIELLI, M.BOATO, S.BOCO, G.BRIENZA, F.BUCCIERO, G.CALDERISI, F.CALZAVARA, P.CENTO, U.CHINCARINI, CONTESTABILE, F.CORTIANA, A.DE LUCA, G.DETOMAS, A.DI LUCA, M.D'URSO, F.EVANGELISTI, M.FABRIS, S.FEI, F.FRATTINI, G.FRIGATO, F.GAMBATO, C.A.GIOVANARDI, G.GIULIETTI, T.GRIMALDI, R.INNOCENTI, F.IZZO, R.LAVAGNINI, S.LIOTTA, C.MANCINA, L.MANCONI, A.MARTINO, D.MASELLI, A.MASULLO, A.MATACENA, R.MEDURI, G.MELANDRI, A.MICHELINI, G.MOLINARI, A.MONTELEONE, A.NAPOLI, M.OSTILLIO, G.PACE, A.PASQUALI, S.PETTINATO, M.PIERONI, G.PISTONE, A.PROCACCI, G.REBUFFA, C.ROCCHI, F.RODIGHIERO, P.ROMANI, R.RUSSO JERVOLINO, E.SAVARESE, S.SCHMID, M.SCOCA, F.SCOPELLITI, G.SERVODIO, V.SGARBI, V.SINISCALCHI, A.SODA, S.A.STANZANI-GHEDINI, M.A.TABORELLI, G.TERRACINI, R.TORTOLI, M.TREMAGLIA, S.TURRONI, R.VALENSISE, A.VIGNERI

*Kenya
P.NDWIGA, P.MUITE

*Lebanon
I.NAAMAN, S.S.SALAAM

*Luxembourg
E.BERGER, L.ERR, N.ESTGEN, F.KUFFER, R.MEHLEN

*Macedonia
R.OSMANI, H.SHAQIRI, A.XHAFERI

*Malta
M.ASIAK

*Moldova
I.DEDIU, M.GHIU

*Norway
E.SOLHEIM;

*Peru
E.GAMARRA OLIVARES

*Portugal
R.M.ALBERNAZ, J.STRECHT RIBEIRO

*Romania
D.CALANCE, C.IVANCIOC, N.LAZAR, M.MOLDOVANU, C.MONORANU, V.NISTOR, P.PETRE

*Russian Federation
V.BASHMACHNIKOV, O.BEKLEMISHCHEVA, G.BENOV, V.BORSHCHEV, S.BOSHOLOV, E.BUCHENKOV, E.BATINA, T.GDLIAN, M.GLUBOKOVSKIJ, S.GRUSCAK, V.IGRUNOV, S.KOVALEV, A.JANKOVSKI, I.KHAKAMADA, S.KALASHNIKOV, S.KOVALEV, J.LOZINSKAJA, T.MATAKITE, V.MEDIKOV, B.MISNIK, S.MITROKHIN, S.NAJCHUKOVA, J.NESTEROV, E.PAMFILOVA, J.PARSHAIKOV, V.POHMELKIN, S.POPOV, J.RYBAKOV, G.SADCHIKOV, J.SEVENARD, V.SHEINIS, A.SHISHLOV, N.STOLJAROV, S.SULAKSHIN, R.SULTANOV, J.TEN, A.TJAGUNOV, A.TURUSIN, V.UTKIN, V.ZELENIN, S.ZUBAKIN

*Slovakia
M.DURISINOVA, G.PALACKA

*Slovenia
R.BATTELLI, F.CERNELIC, B.ERZEN, I.HVALICA, J.JANCAR, J.KOPAC, L.KREFT, A.LENARCIC, M.LOGAR, M.MOZETIC, L.OMAN, M.PAVLICA, V.POTOCNIK, J.PREDAN, Z.PREGELJ, M.SETINC, J.STURM-KOCJAN, F.ZAGOZEN

*Sweden
B.HURTIG

*Switzerland
P.AGUET, R.BAUMANN, S.BAUMANN, M.BUNDI, R.RHINOW, M.F.SUTER, P.VOLLMER, R.WIEDERKEHR, J.ZIEGLER

*Tunisia
M.H.KHELIL

*Ukraine
V.R.BUBLIKOV, Y.ILIASEVYCH, J.KARMAZIN, I.KORSHYNSKYJ, B.KOZHYN, T.KYJAK, E.LUPAKOV, G.MANCHULENKO, J.SHERENIN, G.STAROVOJTOVA, A.A.STAVITSKIY

*United Kingdom
D.ALTON, Lord E.AVEBURY, G.BERMINGHAM, A.CARLILE, A.CLWYD, Sir D.R.JOHNSTON, I.W.JONES, A.MITCHELL, A.SISON, P.TYLER

*Uruguay
G.STIRLING

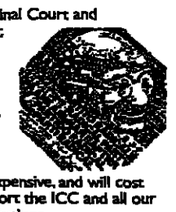
*Venezuela
J.CASTILLO

At the moment over 600 parliamentarians have signed the appeal and many more signatures are arriving.

SPEAKING WITH JUST ONE VOICE
For the fourth time in the past two years, the Plenary Session of the European Parliament calls for the establishment of the ICC and has voted a resolution that urges Europe to reach a common position.
The European Parliament,
1. Calls on the Council and the Member States to reach a common position as soon as possible on the need to establish the Permanent International Criminal Court, and to act in concert at the 51st General Assembly of the UN to ensure that it renews the mandate of the Preparatory Committee and takes the decision to convene a pleniporentiary diplomatic conference to establish a Permanent International Criminal Court before the end of 1998;
2. Calls, therefore, on the Irish Presidency and the Commission to do all within their power to ensure that the Union speaks with one voice on this important issue.

THE ACP-EU EQUALITY ASSEMBLY CALLS FOR THE ICC
An important resolution, following the NPWJ and TRP's appeal, has been voted for the establishment of the International Court for 1998.
ACP Countries: Angola, Antigua and Barbuda, Bahamas, Barbados, Belize, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo, Cote d'Ivoire, Djibouti, Dominica, Dominican Republic, Equatorial Guinea, Eritrea, Ethiopia, Fidji, Gabon, Gambia, Ghana, Grenada, Guinea, Guinea-Bissau, Guyana, Haiti, Jamaica, Kenya, Kiribati, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Papua New Guinea, Rwanda, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Samoa, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Solomon Islands, Somalia, Sudan, Suriname, Swaziland, Tanzania, Togo, Tonga, Trinidad and Tobago, Uganda, Vanuatu, Zaire, Zambia, Zimbabwe.

THE TRANSNATIONAL RADICAL PARTY
(TRP) is a non-governmental organization with consultative status (Category 1) with the ECOSOC of the United Nations.
The TRP is a cross-party international organization; it does not run for national political elections. It is a Gandhian nonviolent organization that promotes international political campaigns concerning:
- the respect of Human Rights, particularly in non-democratic countries as well as the promotion of democracy and freedom all over the world, notably in China and Tibet.
- the establishment of a permanent International Criminal Court and the support of the ad hoc tribunals (ICTFY and ICTR);
- anti-prohibitionist policies on drugs - against the narco-mafias' illicit trafficking;
- the abolishment of capital punishment all over the world;
- the right to language, promoting the use of the international language (e.g. Esperanto) as the auxiliary language of international institutions and organizations ;
- a democratic reform of the United Nations.



This campaign is not over. This campaign is very expensive, and will cost even more. In order to continue our progress to support the ICC and all our campaign, we need your commitment and your contributions.
You can help us by joining the Transnational Radical Party or by sending your contribution. For information: TRP c/o European Parliament - Rem 5.08 - Rue Belliard 97 - 1047 Bruxelles - Tel. 32-2-230.41.21 - 284.71.98 - Fax 230.36.70 - 284.91.98 - E-Mail Pr.Bruxelles@agora.stm.it

Air Bags a Risk for Short People

U.S. Begins to Document Hazard to Some Motorists

By David B. Ottaway
Washington Post Service

WASHINGTON — Mary Riordan was a strong believer in automobile air bags until the one installed in her 1989 Chrysler LeBaron almost killed her.

She was stuck in bumper-to-bumper traffic in Bellmore, New York, three years ago when the driver's air bag exploded in "a white flash" for no apparent reason and knocked her unconscious. When an ambulance attendant pulled Ms. Riordan from the car, she was not breathing and had no pulse.

The attendant revived Ms. Riordan and got her to a hospital. But injuries to her neck and spine caused by the air bag have crippled the 58-year-old woman for life, leaving her scarcely able to walk, bathe herself or even brush her hair.

The National Highway Traffic Safety Administration is only beginning to document the alarming fact that air bags — resisted for years by U.S. car manufacturers and now promoted as a life-saving safety feature — themselves may be hazardous to certain motorists, particularly short people and others who sit very close to the deploying bags.

Air bag injuries have killed at least 19 adults, all but three of them women, according to the agency's records. Also, there is growing evidence that women of short stature are particularly susceptible to head and neck injuries from air bags; 10 of the 16 female fatalities have been 5-foot-2 (157 centimeters) or shorter, the agency's records show.

"There are millions of adults who don't realize they have a bomb at their fingertips," said William Smock, a physician at the University of Louisville's Department of Emergency Medicine, who has studied in detail the risk air bags pose to short people.

Some experts say early research, using 110-pound (50-kilogram) pigs to test air bag safety in high-impact crashes, suggested that short, slightly built people would not be protected by the devices. But air bag advocates at the time were more convinced by other tests involving dummies replicating average-sized male drivers, for whom the air bags showed significant benefits in head-on collisions.

Yet with air bags now installed in more than 35 million U.S. cars and trucks, a recent National Highway Traffic Safety Administration study concluded that only in direct frontal "12 o'clock" crashes did air bags make a significant difference.

In those cases, which account for 64 percent of all driver and front-seat passenger fatalities, air bags reduced deaths by about 30 percent, the study showed. That resulted in an 11 percent overall reduction in fatalities from all kinds of crashes or, more simply put, in 1,136 lives saved between 1986 and 1995.

Adult air-bag fatalities have received little attention amid recent controversy over the deaths and injuries involving toddlers and infants. Consumer and safety groups have campaigned over the past few years to get Congress and the Department of Transportation to make air bags safer and drivers and passengers more aware of their dangers.

In August, the National Highway Traffic Safety Administration finally began the laborious process of changing Federal Motor Vehicle Safety Standard 208 governing the use of air bags.

Its administrator, Ricardo Martinez, said the agency planned to come out with new regulations on warning labels and safety procedures "very soon."



Dimitar Dilkoff/Reuters

Posters of Ivan Marazov, the Socialists' presidential candidate, lining a wall in Sofia as Bulgaria voted Sunday.

Anti-Communist Leads in Bulgaria Vote

The Associated Press

SOFIA — The candidate of Bulgaria's anti-Communist opposition coalition appeared to be the clear winner in Sunday's presidential elections, according to two different projections. But a runoff was likely.

The local Gallup International affiliate had Petar Stoyanov ahead with 44 percent of the vote, based on vote samples from 150 of 203 election precincts, with a margin of error of 3 percent. The institute gave the ruling Socialists' candidate, Ivan Marazov, 25 percent and the Business Bloc candidate, George Ganchev, 23 percent.

The nongovernmental Bulgarian Association for Fair Elections and Civil Rights gave Mr. Stoyanov 43.5 percent and Mr. Marazov 27.2 percent, based on samples from 113 election precincts. That tabulation also had a 3 percent margin of error.

If neither of the candidates wins an absolute majority of more than 50 percent in the Sunday election, a runoff will be held Nov. 3.

But Evgeni Dainov, a political scientist, said it would be hard for the Socialists to attract enough voters for their candidate to win "because most voters are convinced that Petar Stoyanov will be the new president."

"The results are a clear sign that the Socialist Party has lost control over its own voters," he added. None of the other 11 candidates stood a realistic chance.

The popularity of the 54-year-old Mr. Marazov, currently the minister of culture, has been severely dented by the current economic crisis, which voters tend to blame on government mismanagement.

Prime Minister Zhan Videnov is under fire both from the opposition and reform-minded leaders of his own party, made up of former Communists, for failing to implement market reforms or fight burgeoning crime and corruption, and for trying to muzzle state radio and TV.

> **'The results are a clear sign that the Socialist Party has lost control over its own voters.'**

Yuri Aslanov, a prominent journalist, also said Mr. Stoyanov was certain to win the runoff.

"This means that the war between the institutions will deepen," he said, referring to anticipated trouble between the Socialist government and an opposition president. The government's relations with outgoing President Zhelyu Zhelev already were tense.

Mr. Zhelev, a Communist-era dissident who has been president since 1990, did not run for re-election because he lost his party's primary.

Mr. Aslanov suggested that early parliamentary elections may become necessary because the normal functioning of state institutions could be blocked.

The elections took place amid the worst economic crisis since 1989, when communism collapsed.

The Association for Fair Elections and Civil Rights said voter turnout was about 61 percent — compared with 75 percent to 80 percent in previous national elections.

"I have had enough of this political theater with second-class actors. How can you trust them?" asked 31-year-old Stoyan Angelov.

Still, a lot of people are looking for someone to pull Bulgaria out of its crisis.

"I cast my vote because I want us to finally get rid of this unbearable misery. One cannot live like this," said Ivan Bonev, a 76-year-old pensioner.

Pollsters saw the economy as voters' biggest concern.

Inflation so far this year is over 150 percent, the national currency, the lev, has been devalued by 70 percent since the start of the year, and there are severe bread and meat shortages.

WEAPONS: *U.S. Solicited Russia for Study on Nuclear Tests*

Continued from Page 1

The history did not directly delve into the design or deployment of the Soviet — and now Russian — nuclear arsenal, and would probably not affect nuclear strategy or arms control.

Mr. Tchernyshev said the Russian scientists did not divulge state secrets. But he acknowledged that the information given the United States was "sensitive."

He said that all the material was screened by a Russian declassification process and that "we have the documents to prove it."

The Defense Special Weapons Agency said the information "was of no value in understanding the design of Soviet nuclear weapons because we did not ask for weapon design information and none was provided."

Asked what was learned about Soviet testing, the agency said, "That information is classified."

According to Mr. Tchernyshev, the project was carried out with the approval and participation of Russia's powerful minister of atomic energy, Viktor Mikhailov. There is an agreement by both countries to keep most of the work confidential. Mr. Tchernyshev said the reason for the secrecy was to deter proliferation.

The project eventually produced a 17-chapter, illustrated draft report.

Robert Norris, senior analyst with the Natural Resources Defense Council in Washington, obtained a copy of the contract and made it available to The Washington Post.

Mr. Norris, who has tracked Soviet and American nuclear testing for a decade and who has pushed to open up more data about nuclear testing, described the Russian project as a potential "intelligence gold mine" for American policymakers.

The United States paid the scientists to write detailed chapters on the first Soviet nuclear test in 1949, which surprised U.S. intelligence and President Harry Truman; the testing of the first Soviet hydrogen bomb in 1953; the once ultra-secret Soviet atomic weapons testing complex; the long-hidden 1954 Totsk nuclear test involving ground troops; the environmental and radiation impact of hundreds of tests, both in the atmosphere and underground; and on other topics, both scientific and political.

"Obviously, it would be extremely interesting from the point of view of understanding the whole Soviet nuclear weapons complex, the level of technology, how it operated, how it took decisions, and probably understanding current issues of safety and security," said David Holloway, a professor at Stanford University and author of "Stalin and the Bomb," a history of the early Soviet nuclear effort.

Mr. Holloway said the project could have practical results, helping U.S. experts see how accurate had been their measurements of Soviet blasts, thus better calibrating future methods. If the recent UN global test ban is ratified, an elaborate worldwide monitoring system is envisioned to ensure compliance.

The Russian scientists were facing hard times in 1992, when the study was commissioned. Mr. Tchernyshev said the United States stipulated that the payments must be made directly to nuclear scientists, not the weapons laboratory. The 200 authors each received about $500, he said, the rest going for taxes and expenses. At the time, the average monthly wage in Russia was $38.

HERO: *A Living Legacy*

Continued from Page 1

liver and lung transplants, which require a donor whose heart is still beating. The age-old definition of death — a stopped heart — is still the legal definition of death in Japan, so no transplantable heart is ever available.

In addition, organs are in critically short supply here because of cultural and religious resistance to giving or receiving another's organs. Many doctors and patient groups say public opinion is starting to change. If politicians lead the way to a better understanding of modern medical advances, resistance to transplants would diminish, they say.

Lydia Hernandez, a U.S. Navy physician who assisted in harvesting Alex's kidneys, said the "courage and generosity" of people like the Van Cleaves are the key to survival for countless people with kidney failure.

Most organs are highly perishable — a heart lasts only a few hours, so, for example, Alex's heart could not have been taken to the United States. Although most organs from Americans who die in Japan are wasted, Alex's case may help change that.

"It is very nice that something good has come out of something so awful," said Ann Van Cleave. "He loved Japan so much. It's a special thing that a little bit of him is left here."

Alex's case has helped heal another wound, too. The U.S. military's image in Japan was seriously damaged last year when three servicemen on Okinawa were convicted in the rape of a 12-year-old girl. But after Alex's death and organ donation, there has been an outpouring of affection and gratitude.

Japanese have sent letters and thousands of folded-paper cranes, a symbol of healing, and there has been a warming in the relationship between Japan and American servicemen and their families.

Lord Gladwyn Dies; Dueled With Soviets at UN

New York Times Service

Lord Gladwyn, a patrician diplomat who helped draft the Charter of the United Nations and served as Britain's representative at the organization in the early days of the Cold War, died Thursday at his home in Halesworth, northeast of London, his family said. He was 96.

As Gladwyn Jebb, Lord Gladwyn was appointed acting secretary-general of the United Nations in 1946 and organized the General Assembly's first meeting, which was held in London.

He held the post until Trygve Lie of Norway was named secretary-general late in 1946.

As Britain's chief representative at the United Nations from 1950 to 1954, he became a familiar figure to television audiences as he fenced verbally with diplomats from the Soviet Union.

He was British ambassador to France from 1954 to 1960 and a member of the European Parliament from 1973 to 1975.

Dr. Hugh Davis, 69, Dalkon Shield Inventor

NEW YORK (NYT) — Dr. Hugh Davis, 69, the gynecologist whose acclaimed invention of the Dalkon Shield as a safer and more effective birth control device proved disastrous to thousands of women, died Wednesday of pancreatic cancer at his home on Gibson Island, Maryland.

When it was introduced in 1971, the Dalkon Shield was hailed as a highly improved intrauterine device.

But it was eventually deemed responsible for 18 deaths and more than 200,000 infections, miscarriages and other ailments.

Hyman P. Minsky, 77, Boom-and-Bust Theorist

NEW YORK (NYT) — Hyman P. Minsky, 77, an economist who explained how lending patterns and mood swings can push an economy into speculative booms or steep declines, died Thursday of pancreatic cancer at Northern Dutchess Hospital in Rhinebeck, New York, his family said.

For the last six years, he was distinguished scholar at the Jerome Levy Economics Institute of Baird College.

Basically, he found that in prosperous times, when corporate cash flow rises beyond what is needed to pay off debt, a speculative euphoria develops and soon lending gets beyond what the borrowers can pay off from their incoming revenues. That produces a crisis. There is a pullback in lending, even to companies that can afford the loans, and the economy contracts.

PARTNERS: *Rothschilds Are Reuniting Across the Channel*

Continued from Page 1

family business, despite having no enthusiasm for it. In July, apparently overwhelmed by the death of his mother, he ended a business meeting in Paris, went to his hotel room and hanged himself. He was 41.

And there was David, charming and competent, but from the wrong branch of the family.

Sir Evelyn, though, had brought David into N.M. Rothschild four years earlier as deputy chairman. And this month he appointed his cousin, whom he is said not only to admire, but to like, as chairman of a global committee to coordinate Rothschild investment banking around the world.

N.M. Rothschild & Sons is quartered in New Court, a nondescript office building on St. Swithin's Lane, an alley in London's business district. Upon entering a lobby that contains a single splash of color — a portrait of Mayer Rothschild and his founding family — there is no question who is master here: Sir Evelyn Rothschild, 65, a towering, silver-haired man who has been part of the bank for 45 years.

It is thanks to David, 53, that the Rothschilds again have a bank in France. When the government nationalized Banque Rothschild in 1981, David's father, Baron Guy de Rothschild, bitterly left France for the United States. Barred from banking and from using the family name in business, David stayed. He started over with a shell of a company, Paris-Orleans, with four employees in a hotel suite. In 1986, David's cousin in Switzerland, Edmond, successfully urged France's finance minister, Edouard Balladur, to end the prohibition barring the family from using its name in business.

David moved quickly, forming Rothschild & Cie. Banque, and attracting merger-and-acquisition clients. He has built his merchant bank into France's second largest.

In 1992, Sir Evelyn made David deputy chairman of N.M. Rothschild, even though he was not a shareholder. And this month David took charge of a new initiative to coordinate the family's investment banking offices around the world.

"David rebuilt," Sir Evelyn said. "I think to have started a new institution, with some support from the family, and create something in 15 years, is a remarkable achievement. He has managed to encroach on Lazard Brothers and do very well, not only in France but in the rest of Europe."

And it is rebuilding that the House of Rothschild needs now, Sir Evelyn said, to keep pace with rivals as the asset-management business and corporate finance grow. The solution is to bring together its branches as active partners.

Uniting the London and Paris banks would give the House of Rothschild a capital base of more than $1 billion, the cousins said, putting it in a league with A.G. Edwards Inc., which ranks 15th in capital in the United States.

The family expects to compete in most of the world with financial giants like Merrill Lynch & Co. and Morgan Stanley & Co., though not in the United States, where the Rothschilds have a small but successful New York investment bank.

In Europe, Rothschild intends to compete both with Continental investment houses and with Japanese banks. It plans to expand its own Asian presence by opening an office in China.

Privatization has been a Rothschild specialty since the Thatcher administration in Britain. Indeed, last year Rothschild offices worldwide were said to participate in the sale of 60 government businesses, more than any other investment bank.

FUNDS: *Legal Foreign Gifts*

Continued from Page 1

The Taiwan contribution to the Helms center came to light when Howard Segermark, a former Helms center fund-raiser, filed suit in District of Columbia Superior Court in late 1994, claiming that he had not received his promised commission for raising the money. The case was dismissed last year.

In 1991, after the Gulf War, the government of Kuwait donated $100,000 to the center. "Senator Helms is a man who devoted his time and effort to liberate my country," said the Kuwaiti ambassador to the United States, Sheikh Saud Nasir al Sabah, at the time of the contribution.

John Dodd, the center's director, said he stopped the center's practice of accepting foreign donations after becoming its consultant in September 1993 and director in June 1994.

"I knew that some day I was going to have this conversation, and I wanted to be able to say this," Mr. Dodd said. "I'm not going to make a judgment whether it's inappropriate or not."

Mr. Dodd said that those were the only two foreign contributions of which he was aware and that, given Mr. Helms's public positions supporting the Gulf War and strongly backing Taiwan, "no one could even think there's any quid pro quo."

BARRIER: *A 'Berlin Wall' of the Mind Continues to Thwart Integration of East and West Germans*

Continued from Page 1

among Western voters, who want their tax burdens eased and the Eastern subsidies curtailed at a time when slow growth and high unemployment afflict the entire country.

Among Easterners, disaffection with German unity has become rampant. They resent what they see as a colonization process that has parachuted arrogant Western bureaucrats into their lives, shut down or streamlined factories that left many of them bereft of careers, imposed legal and tax codes they cannot understand and nurtured the kind of violent street crime that was unthinkable in the old days.

"At first, everybody was excited about the chance to buy new cars, video recorders and other material goods we could only dream about," said Ilse Krueger, a hairdresser in Pankow, an East Berlin suburb where many members of the Communist elite used to live.

"But then we started to realize how empty our lives had become," she said. "Many people who lost jobs have become frustrated and depressed without work. Instead of visiting friends, people just stay at home to watch TV. It's a much colder life now, without any sense of community spirit."

Birth rates and marriages in the East have dropped by more than half since reunification. Unemployment in the region would be close to 40 percent, economists say, except for government make-work programs that provide little sense of accomplishment.

Meanwhile, 80 percent of adults in the East have been compelled to change their work or residences, deepening a sense of social disorientation.

"There is a lot of panic and anxiety resulting from a sense of helplessness and incapacity in coping with a new system," said Petra Kombardi, a psychologist in the Eastern town of Erfurt. "People retreat into a passive existence because they became totally dependent on the state telling them how to behave and now they don't know what to do."

While Easterners may not miss the Stasi secret police, the decrepit roads and oppressive propaganda from Communist days, they yearn for other aspects of their former society that created an austere, well-ordered life without the acute stress they feel today.

PARIS AMERICAN AIDS COMMITTEE

P.A.A.C.'s Fall Schedule :

◆ November 10 th :
Christmas card designed by Hilton McConnico for the fight against AIDS to go on sale at Galeries Lafayette, WH Smith, Brentano's, General Stores, Hilton McConnico Boutique or from P.A.A.C.

◆ December 1st, World Aids Day :
Don't forget to go to one of the Parisian restaurants participating in the "RESTAURANTS POUR LA VIE" operation.

◆ December 9th :
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To order Christmas cards, make a reservation for Seasons Greetings Party or more information, call P.A.A.C. : 01 42 27 45 75.

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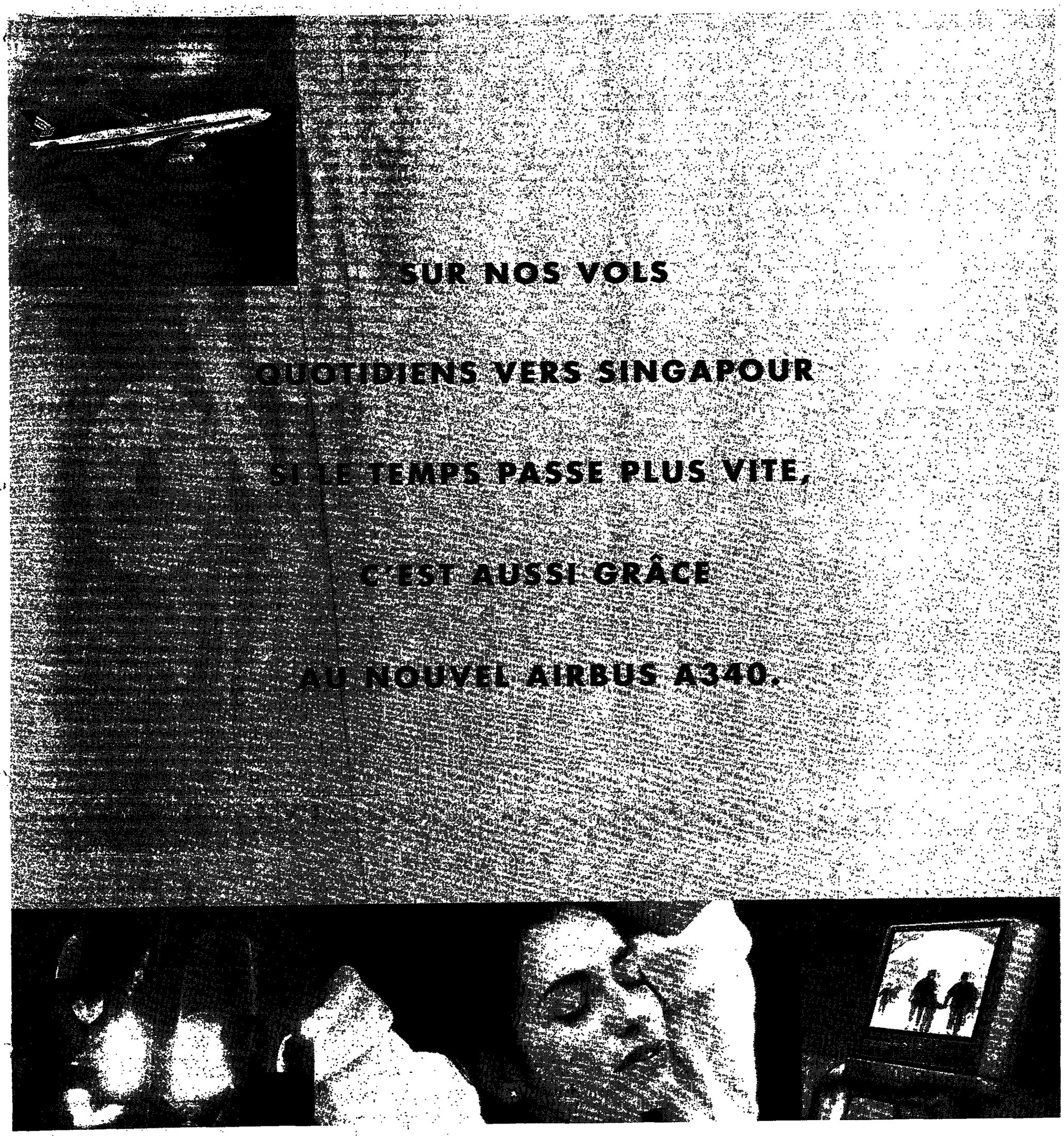
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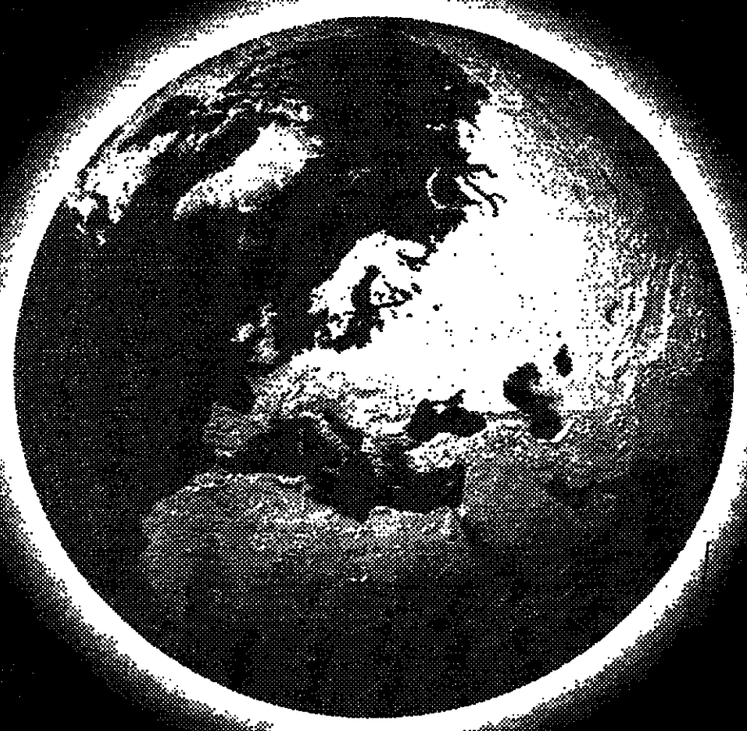
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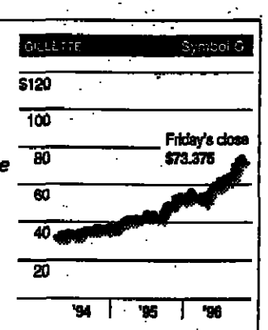
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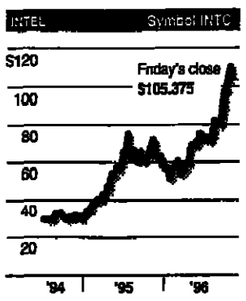
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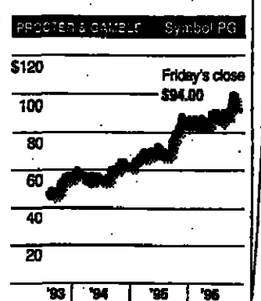
Figures as of close of trading Friday, Oct. 25

Three Stocks With Big Gains

Weekly stock closes of Enterprise Growth Fund's three largest holdings since the month each was bought.







Source: Datastream

N.Y. Times News Service

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Herald Tribune INTERNATIONAL

BUSINESS/FINANCE

MONDAY, OCTOBER 28, 1996

A Wing and a Prayer

Here are some recent or upcoming initial public offerings with a lot to prove to potential investors.

Company	Business	Offering size	Lead underwriter	Comments
[illegible]	[illegible]	[illegible]	Dabney & Donahue	No sales yet; rivals include Procter & Gamble and Colgate-Palmolive
Florida Panthers Fort. Lauderdale, Fla.	Professional hockey	$73 million	Donaldson, Lufkin & Jenrette	Has posted losses of $55 million since 1993
[illegible]	[illegible]	[illegible]	Dain Rauscher & Co.	Former two year; financial data include only 13 days of hotel operations

The New York Times

Investors Risk Getting Burned by Hot IPOs

By Reed Abelson
New York Times Service

NEW YORK — Despite a splash of cold water this summer, the market for initial public offerings is threatening to boil over again. That means investors who are not careful may get burned.

Among this year's record number of new ventures, many have little to show in sales or profit, but they carry big price tags nonetheless.

"The IPO market has definitely resumed with a vengeance," said William Keithler, a portfolio manager for Berger Associates, who said he was passing up many such deals. "You are going to have better opportunities to get bigger positions in better companies down the road."

More than $39 billion has been raised in the new-issues market this year in the United States, according to Securities Data Co. That sum already exceeds by several billion the record $34 billion raised in all of 1993.

A total of 676 companies have gone public, and at least 211 more are slated to go in the near future.

This torrent of new issues has led to "a distinct deterioration in the quality of deals," said Robert Natale, editor of the Standard & Poor's Corp. newsletter Emerging and Special Situations.

Underwriters may not be scraping the bottom of the barrel to find companies to bring public, but Mr. Natale said few established outfits with impressive operating histories were left to make their debut. As a result, he said, "companies are going public earlier in their life cycle so the investor is taking on more risk and paying a higher valuation."

The market is not as frothy as it was in the spring, when the average new issue soared 20 percent or more in the first day of trading. "It has not gotten to the point of absurdity yet," said Karl Mills of Jurika & Voyles, a California-based money-management firm. Some good investments are still available, he said.

INVESTING

But in a less vigorous market, companies that have yet to prove themselves able to make money would have a much harder time going public. Today, underwriters are betting on such companies as Florida Panthers Holdings, which owns the professional hockey team of that name as well as a majority stake in the Miami arena where the team plays. While the 3-year-old club reached the Stanley Cup finals last season, the company has never been profitable, losing more than $55 million since 1993.

Although the team's owner, H. Wayne Huizenga, who is also the chairman of Republic Industries Inc., can probably afford to invest in money-losing propositions like sports teams, others may not have that luxury.

The team "has never earned money, is not likely to earn money and could run through its capital in a couple of years," Mr. Natale said. "Why would anyone buy this?"

Nevertheless, the company and its underwriters, which include Donaldson, Lufkin & Jenrette Securities Corp., say they can raise $73 million to allow the company to pay off $45 million in debt and cover the $15 million or so in expected annual operating losses.

Some of the aspiring public enter-

See STOCKS, Page 15

Tietmeyer Predicts 2% Growth in 1997

More Deficit Cuts Urged for EMU

Compiled by Our Staff From Dispatches

FRANKFURT — The president of Germany's central bank said Sunday that he saw good chances for an economic recovery in Germany and predicted the economy would grow by at least 2 percent next year.

In a German radio interview, Hans Tietmeyer said 2 percent growth or more was "certainly possible" for 1997, depending on whether investments picked up pace. He expected 1996 growth of at least 1 percent.

He said the main condition for lasting growth was improved investor confidence. "We must become more attractive again for investments from abroad," Mr. Tietmeyer said, adding that the outlook for taxes, labor law and wage policies were crucial in this respect.

Mr. Tietmeyer also urged a further reduction in budget deficits, predicting that Germany would not meet the Maastricht treaty's criteria on budget deficits this year.

"The deficit in Germany is certainly still too high," he said. The Maastricht treaty requires countries joining the European single currency in 1999 to have budget deficits of 3 percent of gross domestic product or less by 1997, and of 4 percent or less in 1996.

Separately, Germany's foreign minister, Klaus Kinkel, said the conditions for joining monetary union should not be relaxed.

"The federal government continues to support the strict application of entry criteria for a 1999 monetary union," Mr. Kinkel said.

Mr. Kinkel was responding to suggestions of a postponement by Gerhard Schroeder, the prime minister of the German state of Lower Saxony and a leading member of the opposition Social Democrats. Such a suggestion was "irresponsible," Mr. Kinkel said.

In an interview to be published in Monday's edition of the Handelsblatt newspaper, Juergen Stark, a senior finance ministry official, was quoted as saying that Germany would only join the launch of the European currency if a clear system were in place to impose sanctions on countries that failed to keep their finances in order.

He was referring to a pact Germany's Finance Ministry is demanding, which would enforce the fiscal guidelines once monetary union begins.

If there were moves to water down the pact, Germany would withdraw from negotiations on the agreement until a decision is reached in early 1998 on which countries qualify to join the single currency, Mr. Stark said. Germany would then try to hammer out a stability deal with those countries alone.

In other comments, Mr. Tietmeyer said continued strength and stability of the dollar were in the interest of the Bundesbank and the worldwide economy.

"I'm happy that in America — in contrast to several years ago — there is interest in a strong, stable dollar," Mr. Tietmeyer said. "That is not only in American interests, but in the interest of the world economy as well."

An unstable dollar throws off exchange rates worldwide, hurting Germany and other economies, he said. The Bundesbank favors an external value for the Deutsche mark in proportion to its internal value, he added. "We want a strong D-mark, but we don't want an overvalued D-mark," he said.

In addition, Mr. Tietmeyer said that with German rates at historic lows, the Bundesbank had "done its part" and had "used its opportunities" where monetary policy was concerned "for the foreseeable future." *(Bloomberg, Reuters)*

■ Soft Line on Sick-Pay Cuts

German metalworking companies, fearing a resurgence of 1950s-style industrial unrest, took a softer line this weekend in a widening dispute over planned cuts in sick pay, Reuters reported.

Werner Stumpfe, the head of the Gesamtmetall employers' group, said businesses could not afford a lengthy protest, adding that there were alternatives to plans to cut sick pay, such as requiring employees to work an additional 1.4 hours for each day taken off for sickness.

Last week hundreds of thousands of workers staged wildcat protests against companies that want to implement a new law allowing sick pay to be cut back to 80 percent of daily wages.

Success of ENI Sale Renews Italy's Drive to Sell STET

Compiled by Our Staff From Dispatches

ROME — The second offering of shares in the state-controlled Ente Nazionale Idrocarburi was the largest such sale ever in Italy, leading Treasury Minister Carlo Azeglio Ciampi to promise anew over the weekend that Rome would sell its stake in the telecommunications company STET by March.

The government raised at least 7.70 trillion lire ($5.04 billion) in the sale of 13.75 percent of the energy giant, as individuals paid 6,910 lire a share and institutions paid 7,161 lire.

Individual investors, who were receiving their first discount in an Italian sell-off of state shares, made up the bulk of buyers. The Treasury said it had received applications from 383,000 retail investors, including 42,000 ENI employees. The employees received an additional 0.5 percent discount on shares.

Mario Draghi, the Treasury director-general, said demand from individuals was twice as large as in the sale of a 15 percent stake in ENI last year. Demand from institutions was three times as great, he added. The Treasury said a breakdown of the sale would not be available for several weeks.

"We counted very much on smaller investors, and in this respect the offering was a grand success," Mr. Ciampi said. He called the government's decision midway through the sale to increase the size of the second tranche from 8.75 percent of the company a sign of investor confidence in Italy and the proposed 1997 budget.

But the STET sale will probably prove to be the greatest challenge to Italy's stop-and-stop efforts at privatization.

Rome promised the European Union it would sell its 64 percent stake in Societa Finanziaria Telefonica. But Parliament has balked at approving a telecommunications regulatory authority, in effect preventing the sale. One of the main opponents of the privatization is the Refounded Communist Party, a member of the ruling coalition.

"Parliament is giving us grief over the privatizations," said one Treasury official who asked he not be identified.

"The only barrier to the STET sale at this time is the parliamentary approval of an authority," Mr. Ciampi said during the weekend. After STET, Rome would start privatizing Ente Nazionale per l'Energia Elettrica, he said. But he refused to give a date for the utility's sale.

Legislation for an electricity sector regulatory agency has already been approved. *(Reuters, Bloomberg)*

Dutch Aide Casts Doubt on Report Of Samsung's Takeover of Fokker

Compiled by Our Staff From Dispatches

AMSTERDAM — A government spokesman said Sunday that he was unaware of any agreement on the takeover of the bankrupt planemaker Fokker NV by Samsung Aerospace Industries Ltd. of South Korea after Dutch television reports said a deal had been reached.

"There is no memorandum of understanding in preparation at this moment," said Luuc van Zijp, an Economics Ministry spokesman.

Asked whether the television report was accurate, Mr. Van Zijp said, "I don't think so."

Earlier Sunday Dutch NOS television news said Samsung negotiators, the Dutch government and administrators appointed to run Fokker had set out broad terms for a takeover of Fokker in a memorandum of understanding drawn up Friday.

Samsung's senior management was expected to decide by Tuesday whether to approve the terms and if they did, a final agreement would be expected by Friday, it said.

The TVbroadcast did not include any direct comment from Samsung Aerospace, the Dutch government, or Fokker's administrators.

Fokker was declared bankrupt in March after shareholder Daimler-Benz Aerospace AG cut off financial aid. *(Reuters, AP)*

Aerospace Chief Leaves McDonnell Douglas

Compiled by Our Staff From Dispatches

ST. LOUIS, Missouri — McDonnell Douglas Corp. has announced that Herbert Lanese, president of its aerospace unit, left the company because of personality conflicts with Harry Stonecipher, the chief executive.

Mr. Stonecipher said late Friday he and Mr. Lanese had "sharp differences involving management and leadership styles."

"After two years of working together, it became obvious to me that these differences could not be reconciled," Mr. Stonecipher said.

Mr. Lanese could not be reached for comment but Larry McCracken, a spokesman, said the departure was effective immediately.

He said the company did not know when Mr. Lanese's successor would be appointed.

Mr. Lanese was also a member of the company's senior executive committee, which included Mr. Stonecipher, James Palmer, chief financial officer, and Mike Sears, president of the commercial aircraft unit.

McDonnell Douglas's aerospace business, which employs about 36,000 people, is the largest division of the company and generates the most revenue. Third-quarter revenue from military airplanes, as well as air-to-ground missiles and the Delta launch vehicles, totaled $2.43 billion, or 73 percent of the company's total sales for the period.

The departure comes at an important time for McDonnell Douglas. The Pentagon is scheduled to select two of three competitors to continue the development of the Joint Strike Fighter airplane program within weeks.

The program, which is worth more than $100 billion, is expected to be the only new fighter program awarded by the U.S. government until the middle of the next century. Although analysts were surprised by the announcement, Paul Nisbet of JSA Research said the departure of Mr. Lanese should not be too severe a blow to the company. "They've got a lot of good operational people in McDonnell Douglas," he said.

The managers of the military aircraft, space, and missiles businesses will report to Mr. Stonecipher until a replacement is announced.

Mr. Lanese, 51, joined McDonnell Douglas as the senior vice president for finance in 1989 after a career at Tenneco Inc. Three years later, he became chief financial officer, and last year he was promoted to the No. 2 spot at the company's aerospace division. He became president of the division in March. *(Bloomberg, AP)*

CYBERSCAPE

Antitrust Regulators Ponder Microsoft's Intent

By Leslie Helm
Los Angeles Times Service

SEATTLE — In every major industry's golden era, whether it be late 19th-century railroads or early 20th-century oil, powerful corporations have emerged whose outstretched tentacles, reaching for ever-greater market dominance, have drawn the scrutiny of the federal government.

Today, in the heyday of the information age, the spotlight is on Microsoft Corp., which is using its control over Windows — the basic operating software of most personal computers — to take over almost every important software market in sight.

But the laws that regulators once used to rein in industrial age conglomerates such as Standard Oil Co. do not easily apply to a company like Microsoft.

In the digital world, where production costs are close to zero, monopolists expand their power by lowering prices, not raising them. Intangibles such as technical standards and public perception can act more quickly and powerfully to influence markets than the old-style monopolists' control of supply and distribution channels.

Now, as Justice Department antitrust lawyers investigate Microsoft's aggressive tactics in battling Netscape Communications Corp. for control of Internet software, an obscure new branch of economics is offering new ways to understand market power.

These theories, based on a concept called "network effects," could provide the legal basis for the government to move quickly against dominant companies such as Microsoft, which are often viewed as using their power to conquer new markets.

The development of the new legal strategy does not mean federal lawyers will go after Microsoft, or that they should.

Antitrust enforcement always has been in part a matter of politics and public perception, and it is not clear that current public sentiment would support an aggressive government offensive against one of the country's most successful technology companies.

There is also little consensus on whether such an attack would benefit the high-tech industry and the economy in the long run.

But if Microsoft were to achieve its all-but-stated goal of putting Netscape out of business, public opinion — and the attitudes of politicians, economists and jurists — could change in a hurry.

The predatory consequences are very clear. The intent is so blatant," says W. David Slawson, an antitrust law expert at the University of Southern California, who thinks the courts should be more active in reining in monopolists. "This might be the thing that turns the Supreme Court around."

The antitrust laws, written at the beginning of the century, do not provide a great deal of guidance as to what exactly constitutes an illegal monopolistic practice. But over the decades, courts have developed a set of interpretations that would seem to make it difficult to bring a case against Microsoft.

The company's battle against Netsape offers some clear examples of this legal quandary.

Netscape was the first to commercialize a key piece of software known as the browser, which is used to explore the portion of the Internet known as the World Wide Web. Nescape's Navigator quickly became the standard.

Then Microsoft struck back, developing and improving its Internet Explorerbrowser and giving it away for free — and, just as important, providing big financial incentives for Internet service providers to offer it instead of Navigator.

Microsoft is rapidly whittling away Netscape's lead, and many in the business think it will not be long before Microsoft rules the market.

Many antitrust analysts think a strong case could be made that Microsoft has used predatory practices with an intent to monopolize the browser market.

But the Justice Department cannot make a case unless that intent is judged to have what a 1905 Supreme Court decision called a "dangerous probability of success."

Under antitrust law — as it has traditionally been interpreted — it is difficult to show such "dangerous probability" unless a company has a 50 percent market share. Microsoft's browser share, while it has more than doubled in the past two months, is still less than 20 percent.

But if the Justice Department waits too much longer, says Gary Reback, Netscape's attorney, it will be too late and that is where the idea of "network effects" comes into play.

Microsoft's Windows, for example, was successful in large part because the company persuaded thousands of software companies to develop products for what they predicted would be the next standard PC operating system. The widespread availability of Windows-compatible software products, in turn, broadened the appeal of the operating system, creating an upward spiral of market share.

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CURRENCY RATES

Cross Rates — Oct. 25

	$	£	DM	FF	Lire	DFl	BF	SF	Yen	C$	Peseta
Amsterdam	1.71	2.732	1.1217	0.3222	0.1727*	—	5.446*	1.3534	1.508*	1.2725	1.3335*
Brussels	33.37	53.325	21.8975	6.301	3.3691*	19.367	—	34.075	0.2771	23.59	26.0*
Frankfurt	1.5247	2.4356	—	0.2902	0.1552*	0.8916	4.365*	1.2078	1.3458*	1.1283	1.1879*
London (a)	1.6259	—	2.4611	0.3285	2.4418.86	2.2954	50.2775	2.023	162.88	2.1304	265.6114
Madrid	122.257	195.048	84.392	24.935	8.45*	25.052	4.0877	100.204	11.3216*	95.257	—
Milan	1,326.85	2,428.89	1,051.20	296.0	—	891.38	49.454	1,249.25	13.47	1,033.98	11,588.
New York (b)	—	1.6042*	1.571	0.338	1.503.08	1.7059	37.34	1.261	113.48	1.2452	128.08
Paris	5.1425	8.223	3.3765	—	0.3375*	3.0748	0.1339	4.0789	4.5445*	3.8268	4.051*
Tokyo	113.05	180.09	74.42	22.84	0.742	66.36	2.454.0	90.04	—	84.88	8.8859
Toronto	1.3442	2.15007	0.8846	0.282	0.0884*	0.7884	0.4258*	1.0651	1.1361*	—	1.05*
Zurich	11.2597	1.003	0.8267	0.2451	0.0828*	0.7288	4.0254*	—	1.1716*	0.8923	0.9338*
1 ECU	1.3022	0.7701	1.5242	0.4972	1.855.08	2.159	38.53	1.3229	149.97	1.1888	161.991
1 SDR	1.4099	0.9024	1.3955	7.4121	2,196.23	N.Q.	45,1974	1.3173	162.718	1.3401	184.892

Closings in Amsterdam, London, Milan, New York, Paris and Zurich, fixings in other centers and Toronto rates at 3p.m.
*a: To buy one pound; b: To buy one dollar. *Units of 100. N.Q.: not quoted. N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9998	Greek drac.	239.05	Mex. peso	7.865	S. Afr. rand	4.69
Australian $	1.3418	Hong Kong $	7.7314	N. Zealand $	1.4717	S. Kor. won	828.90
Austrian sch.	10.725	Hung. forint	158.93	Norw. krone	6.4573	Swed. krona	6.5922
Brazil real	1.025	Indian rupee	35.60	Phil. peso	26.28	Taiwan $	27.55
Chinese yuan	8.33	Indo. rupiah	2325.15	Polish zloty	2.82	Thai baht	25.46
Czech koruna	26.91	Irish £	0.62119	Port. escudo	153.40	Turkish lira	95124.5
Danish krone	5.8464	Israeli shek.	3.2796	Russ. ruble	5468.0	UAE dirham	3.6705
Egypt. pound	3.3915	Kuw. dinar	0.2999	Saudi riyal	3.75	Venez. bolfv.	469.50
Fin. markka	4.5657	Malay. ring.	2.5061	Sing. $	1.4165		

Forward Rates

Currency	30-day	60-day	90-day
Pound Sterling	1.5901	1.5894	1.5889
Canadian dollar	1.3437	1.3414	1.3389
Deutsche mark	1.5213	1.5183	1.5153

Currency	30-day	60-day	90-day
Japanese yen	112.39	112.92	117.42
Swiss franc	1.2581	1.2540	1.2502

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

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CAPITAL MARKETS ON MONDAY

Markets Brace for Reality Check Amid Release of U.S. Data

By Carl Gewirtz
International Herald Tribune

PARIS — The key assumptions that are weakening the Deutsche mark, strengthening the dollar and buoying the high-yielding European peripheral bond markets will get a reality test this week when Washington announces the first estimate of third-quarter economic growth and the first data on fourth-quarter employment.

The GDP data are likely to confirm that growth in the third quarter has continued to slow. But the big event will be the release of the October unemployment report on Friday.

A strong rise in employment, which would indicate a rebound of activity in the final quarter of the year, would upset the assumptions that there is no immediate need for Federal Reserve Board policymakers to tighten monetary policy and that there is no threat to the continuing U.S. recovery increasing imports from Western Europe and Japan.

The strong dollar, lifted by rising asset prices, which have been driven by continuing U.S. economic expansion, is central to the assumption that European monetary union will proceed on schedule. The view also holds that a single currency will begin with a wide number of participants because growth in Europe and reductions in joblessness and budget deficits are all linked to increased exports based on more competitive exchange rates.

Although a rise in official U.S. interest rates should make the dollar a more attractive asset, Ronald Leven at J. P. Morgan & Co. and Andres Drobny at Credit Suisse First Boston said that initially, a rate increase would upset U.S. bond and stock markets and would probably pressure the dollar as foreign investors pull out of those markets.

Mr. Leven said investors were also growing increasingly wary about a possible Democratic victory in both houses of Congress in the Nov. 5 election, which could be a setback to efforts to reduce the federal deficit. He also said there was concern that after the election "a reinstalled Democratic administration would abandon its strong-dollar policy."

Against this background, he said that "this is not an environment to be aggressively long the dollar. Over the coming weeks, the dollar will be on a downward bias."

He also said that "the recent comments from the Bundesbank have been no help."

Both the dollar and the peripheral European bond markets were hit last week after Otmar Issing, chief economist of the Bundesbank, said cuts in German interest rates were not necessary.

Late Friday, Hans Tietmeyer, president of the German central bank, indicated in a radio interview he saw no need for cuts in the foreseeable future.

Norbert Walter, an analyst at Deutsche Bank in Frankfurt, said the comments were "undiplomatic and counterproductive."

Paul Chertkow, an analyst for Union Bank of Switzerland in London, said: "The timing was entirely gratuitous and unhelpful. The Bundesbank effectively capped the dollar's rise."

The dollar ended the week at 1.5210 Deutsche marks, down from the previous week's high of 1.5431 DM, where it had appeared poised to top its May level of 1.5465 DM.

The direction of German rates is also critical for the outlook for EMU. A rise in German rates at a time when unemployment is so high in the rest of Europe would create strains in the fixed-exchange rate system as seen in 1992 when Britain was forced out.

This sent a shiver through European bond markets. Analysts said ruling out further rate cuts would imply that Germany is on the threshold of raising rates. Nevertheless, there has been a notable shift in investor attitudes away from searching for higher yields and therefore higher risk to a more cautious stance.

Heinz Fesser, head of fixed income at Deutsche Bank's investment subsidiary in Frankfurt, said the market mood had changed, but "the economic fundamentals driving markets haven't changed: Interest rates are low; there is no risk of rising inflation or rising interest rates."

Malaysia To Launch Benchmark Securities

Reuters

KUALA LUMPUR — A benchmark Malaysian bond will be issued regularly in small amounts as early as next year, the secretary general of the Malaysian Finance Ministry, Clifford Herbert, said over the weekend.

The bonds would be issued by the Finance Ministry's holding company, Khazanah Nasional, in amounts of between 100 million ringgit ($39.9 million) and 200 million ringgit each for periods of between five and 10 years, the national news agency, Bernama, quoted him as saying Saturday.

In the 1997 Malaysian budget unveiled Friday, Deputy Prime Minister and Finance Minister Anwar Ibrahim proposed a zero-coupon bond issue that would provide a benchmark yield curve for the country's moribund private debt securities market. According to analysts, the market has been struggling partly because of the lack of a benchmark to price bond issues.

The government was still working on the bonds, which could be used to finance privatized projects, Mr. Herbert told a budget seminar organized by the Malaysia Economic Association.

The government, which is expected to show a budget surplus for the fifth straight year in 1997, does not require bonds to raise funds, Mr. Herbert said. The new bond was meant only to provide a benchmark for the market, he added.

Mr. Anwar announced a 1 billion-ringgit savings bonds issue in the budget. Mr. Herbert said these had not been issued in the past because of constraints, but he did not elaborate, the news agency said. He added that Malaysia's bond market was underdeveloped mainly because of a declining supply of tradable government paper resulting from budget surpluses.

Bonds Mired in Run-Up To GDP and Jobs Reports

Compiled by Our Staff From Dispatches

NEW YORK — The bond market this week is likely to hold back or even retreat by Friday before two critical economic reports, traders predicted.

The Commerce Department is due to report on Wednesday its initial estimate of the economic growth rate for the third quarter. On Friday, the Labor Department releases the October unemployment report.

U.S. CREDIT MARKETS

Data indicating a robust economy could lead the Federal Reserve Board to raise interest rates.

"The biggest number's going to be the employment number," said Robert McGee, chief economist at Tokai Bank. "That's going keep the market on edge until Friday."

Treasury bonds are already trading around the high end of the range that has prevailed since spring, with the yield on the benchmark 30-year bond finishing last week at 6.81 percent, compared with 6.80 percent a week earlier.

"The bond could hit 6.75 percent but I don't think it could go beyond that," said Michael Moran, chief economist at Daiwa Securities Co. He said reduced third-quarter consumer spending was likely to have slowed gross domestic product growth. Among reasons he cited for the short-term rut for bonds were fears of a Democratic majority in Congress and concerns that fourth-quarter growth could be too robust.

"Even though we'll get third-quarter numbers that look friendly, there's a possibility the fourth quarter could look considerably better," he said.

Analysts also said the market could soon be pressured as it prepares to absorb an expected $30 billion worth of 3- and 10-year notes and 30-year bonds. The Treasury is to announce Wednesday the size of the sale in early November.

Other analysts were more optimistic.

"In the next couple of weeks bonds will go higher if we get a modest jobs number that doesn't scare the market," said Larry Pavelec of M & I Investment Management Corp. in Milwaukee.

But he added that bonds were likely to fall before the release of the employment report.

"Do you want to get extremely bullish before those events?" he said. "I'd look for the market to back up before Friday." *(Bridge News, Bloomberg)*

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Oct. 25. Prices supplied by Telekurs.

Rnk	Name	Cpn	Maturity	Price	Yield
	Australian Dollar				
238	Queensland Tsy	7¼	10/12/00	102.1330	7.2200
	Austrian Schilling				
228	Austria	6¼	05/31/06	101.3000	6.1700
	Belgian Franc				
199	Belgium	9	03/28/03	118.9500	7.5700
219	Belgium	7¾	12/22/00	111.4800	6.9500
	British Pound				
182	Northern Rock	9⅛	10/17/21	100.4250	9.3200
240	Lloyds TSB Gp	6.363	10/17/06	99.9300	6.3700
249	Lloyds TSB Gp	9⅛	10/17/11	101.5000	8.9900
	Canadian Dollar				
111	Canada	7	12/01/06	106.3365	6.5800
146	Canada	8¾	12/01/05	118.9352	7.3600
210	Canada	6	03/15/98	102.2392	5.8700
213	Canada	8	06/01/23	110	7.2700
246	Canada	8½	04/01/02	112.0992	7.5800
	Danish Krone				
2	Denmark	8	03/15/06	107.6600	7.4300
22	Denmark	8	11/15/01	110	7.2700
23	Denmark	7	11/10/24	91.8400	7.6200
24	Denmark	7	11/15/07	99.8500	7.0100
31	Denmark	7	12/15/04	102.6000	6.8200
35	Denmark	7	08/15/97	102.4200	6.8300
37	Denmark	9	11/15/98	108.9500	8.2600
41	Denmark	8	05/15/03	109.2700	7.3200
43	Denmark	9	11/15/00	113.1500	7.9500
59	Denmark	6	12/10/99	103.3000	5.8100
92	Denmark	6	11/15/02	100.4800	5.9700
94	Denmark	7	02/15/98	103.6100	6.7600
169	Real Kredit	6	10/01/26	85.0000	7.0600
181	Denmark	6	02/15/99	103.3900	5.8000
195	Nykredit 3 Cs	6	10/01/26	84.8500	7.0700
245	Denmark	10	11/15/96	100.1800	9.9800
	Deutsche Mark				
1	Germany	6¼	04/26/06	101.6960	6.1500
3	Germany	8	01/21/02	113.1629	7.0700
4	Germany	6	02/16/06	99.8183	6.0100
5	Germany	6½	10/14/05	103.2900	6.2900
6	Germany	6	01/05/06	99.8025	6.0100
9	Germany	8¼	09/20/01	114.0200	7.2400
10	Germany	5	05/21/01	101.3080	4.9400
11	Germany	6⅞	05/12/05	106.0000	6.4900
12	Germany	5¼	02/21/01	102.2350	5.1400
13	Germany	3½	09/18/98	99.9550	3.5000
14	Germany	8	07/22/02	113.3200	7.0600
15	Germany	5⅛	11/21/00	101.9986	5.0200
16	Germany	6¼	01/04/24	92.7967	6.7400
17	Germany	5⅝	08/22/00	104.2700	5.5100
18	Treuhand	7½	09/09/04	110.2700	6.8000
19	Germany	7¾	01/03/05	109.3700	6.7400
20	Germany	8¼	08/20/01	116.0200	7.5400
21	Germany	8½	02/20/01	114.2900	7.4400
25	Germany	6¾	05/20/98	104.3575	6.1100
27	Germany	6	09/15/03	102.6200	5.8500
28	Germany	8⅛	05/21/01	114.1950	7.3300
29	Germany	7½	11/11/04	110.3100	6.8000
30	Germany	5⅞	05/15/00	104.6625	5.6100
32	Treuhand	7⅛	01/29/03	108.6700	6.5600
34	Germany	9	10/20/00	115.6714	7.7800
36	Germany Tbills	zero	04/18/97	98.1869	3.8700
38	Germany	9	01/22/01	116.0600	7.7500
39	Treuhand	6⅝	07/09/03	105.6300	6.2700
40	Treuhand	7¾	12/02/02	110.0300	6.7000
44	Treuhand	6⅞	06/11/03	107.0700	6.4200
45	Germany	5¾	08/20/98	103.8250	5.5400
46	Treuhand	6¾	05/13/04	105.8300	6.3800
48	Treuhand	7¾	10/01/02	111.9350	6.9200
49	Treuhand	5⅛	09/24/98	103.6950	5.4200
50	Germany	6½	07/15/03	105.0200	6.1900
53	Germany	8⅞	12/20/00	115.4600	7.6900
55	Treuhand	6⅜	07/01/99	105.9100	6.0200
57	Treuhand	6⅜	03/26/98	103.6800	5.9100
58	Germany	6½	03/15/00	106.6400	6.1000
60	Germany	6¾	12/02/98	106.3300	6.4700
61	Germany	7	01/13/00	108.1100	6.4700
62	Germany	6¾	09/15/99	107.3000	6.2900
65	Germany	8¾	07/20/00	114.3086	7.6500
70	Treuhand	5	12/17/98	102.6333	4.8700
71	Treuhand	6½	04/23/03	105.1500	6.1800
72	Germany	7	12/22/97	104.1040	6.7200
74	Germany	7½	10/20/97	104.0450	7.2100
77	Germany	5¼	11/20/97	102.0600	5.1400
80	Treuhand	6¼	03/04/04	103.0400	6.0700
84	Germany	6¾	04/22/03	106.5775	6.3300
85	Germany	7⅛	12/20/02	108.8086	6.5500
91	Treuhand	6	11/12/03	102.0450	5.8800
97	Germany	6¼	07/15/04	105.8625	6.3800
98	Germany	5¼	02/22/99	103.5700	5.1900
100	Germany	6⅝	01/20/98	103.8700	6.3800
104	Germany	7¼	10/21/02	109.5967	6.6200
105	Germany	6	06/20/16	92.6967	6.4700
106	Germany	6⅝	02/24/99	106.6800	6.4400
107	Treuhand	7	11/25/99	108.1800	6.4700
113	Germany	8	03/20/97	101.8600	7.8500
114	Germany	5¼	10/20/98	103.1467	5.0900
116	Treuhand	6⅛	06/25/98	104.1400	5.8800
125	Germany	7¼	10/20/97	103.8000	6.9800
134	Germany	5¼	02/25/98	102.3675	5.1300
135	Germany	8¼	07/21/97	103.5775	7.9700
138	Germany	6	02/20/98	103.2900	5.8100
139	Treuhand	6¼	07/29/99	105.7200	5.9100
143	Austria	6½	01/10/24	94.8000	6.8600
144	Treuhand	5	01/14/99	102.6360	4.8700
145	Ba Credit Card	6	11/15/05	101.3121	5.9200
148	Germany	8	09/22/97	104.1640	7.6800
154	LB Rheinland	5¾	10/16/03	99.4000	5.7800
155	Treuhand	5¾	04/29/99	104.3800	5.5100
156	Germany	7¾	02/21/00	110.3200	7.0300
160	Germany	8⅛	05/22/00	113.8900	7.6800
162	Germany	6⅛	05/20/99	105.4050	5.8100
163	Germany	6¼	02/20/98	103.5860	6.0300
164	Germany	2.848	09/30/04	99.1300	2.8700
168	Germany	8½	08/21/00	113.5875	7.4800
171	Germany	8⅛	01/20/97	101.1500	8.2800
172	German States	6¼	08/21/06	100.1900	6.2400
173	TVA	6⅜	09/18/06	99.7319	6.3900
197	KFW	6	02/09/06	98.7800	6.0700
207	Sires Lines 79	13	04/07/05	99.0000	13.1300
208	Germany	6¾	08/14/98	104.8000	6.0800
209	Denmark	5	10/16/01	100.6000	4.9700
229	Germany	5¾	08/20/97	101.9900	5.6400
248	TMCC	5⅛	12/31/01	100.3500	5.1100
	Dutch Guilder				
26	Netherlands	6¼	07/15/98	104.4500	5.9800
64	Netherlands	6	01/15/06	100.6500	5.9600
66	Netherlands	8¾	09/15/01	116.4800	7.5100
67	Netherlands	8¼	06/15/02	114.90	7.1800
76	Netherlands	5¾	09/15/02	102.5000	5.6100
81	Netherlands	5¾	01/15/04	100.8000	5.7000
95	Netherlands	7½	04/15/10	111½	6.7300
102	Netherlands	8½	06/01/06	118¼	7.1900
103	Netherlands	8¼	02/15/00	111.9500	7.3700
110	Netherlands	7½	01/15/23	110.45	6.7900
119	Netherlands	8¾	05/01/00	113.8500	7.6900
124	Netherlands	6¾	11/15/05	105.8500	6.3800
130	Netherlands	9	05/15/00	114.8500	7.8400
131	Netherlands	9	01/15/01	116.1700	7.7500
147	Netherlands	7¾	03/01/05	112.6000	6.8800
150	Netherlands	8¼	09/15/07	117.20	7.0400
152	Netherlands	6½	04/15/03	105.8800	6.1400
161	Netherlands	7	02/15/03	108.7000	6.4400
176	Netherlands	7	03/15/99	107.0500	6.5400
183	Netherlands	8½	03/15/01	114½	7.4200
187	Netherlands	7¼	10/01/04	109.6000	6.6100
189	Netherlands	6½	01/15/99	105.8000	6.1400
214	Netherlands	9	07/01/00	115.0500	7.8200
216	Netherlands	9	10/16/00	115.8000	7.7700
221	Netherlands	7¾	01/15/00	110.3000	7.0300
225	Netherlands	6¾	02/15/99	106.3500	6.3500
230	Netherlands	8¼	02/15/07	116.7700	7.0700
	ECU				
47	France BTAN	5	03/16/99	101.2100	4.9400
73	UK T-note	5	01/26/99	100.9300	4.9500
75	France OAT	7½	04/25/05	108.3000	6.9300
89	Britain	9⅛	02/21/01	114½	7.9700
90	France BTAN	7¼	03/16/98	103.8900	6.9800
101	France OAT	7	04/25/06	104.5000	6.7000
118	France OAT	6	04/25/04	100.0300	6.0000
136	France OAT	8¼	04/25/22	113.6717	7.2600
137	France B.T.A.N.	6	03/16/01	103.3800	5.8000
141	France OAT	9½	04/25/00	114.3000	8.3100
166	France BTAN	7½	03/16/97	101.1900	7.4100
191	France OAT	6¾	04/25/02	105.5000	6.4000
223	UK T-note	8	01/27/98	104.2550	7.6700
233	UK T-note	5¼	01/21/97	100.2000	5.2400
236	France OAT	8	04/25/03	111.8300	7.1500
	French Franc				
122	France OAT	8½	11/25/02	116.5200	7.2900
153	France OAT	7¾	04/25/06	109.4200	6.6300
178	France OAT	8½	04/25/03	116.7700	7.2800
185	France B.T.A.N.	7¾	04/12/00	110.5400	7.0100
194	France B.T.A.N.	5¾	03/12/98	102.7400	5.6000
196	France B.T.A.N.	5½	10/12/01	102.5900	5.3600
202	France OAT	7½	04/25/05	111.1200	6.7500
217	France OAT	6	10/25/25	89.7700	6.6800
	Irish Punt				
243	Ireland	6½	10/18/01	99.5544	6.5300
	Italian Lira				
121	Italy	9½	02/01/06	108.9600	8.7200
165	Italy	9½	02/01/01	107.2500	8.8600
247	Italy	7½	10/01/99	101.5400	7.3900
	Japanese Yen				
149	Spain	3.10	09/20/06	101.8750	3.0400
159	EIB	3	09/20/06	101.8750	2.9400
192	World Bank	4½	03/20/03	113¾	3.9600
198	World Bank	5¼	03/20/02	116⅞	4.4900
224	Hankyu	1½	09/30/06	98.2500	1.5300
231	Fannie Mae	2	12/20/99	102.3750	1.9500
232	Spain	4⅝	07/22/04	114⅛	4.0500
242	Exim Bk Japan	4⅜	10/01/03	112½	3.8900
	Spanish Peseta				
109	Spain	10.15	01/31/06	115.0690	8.8200
117	Spain	8.40	04/30/01	105.1480	7.9900
151	Spain	9.40	04/30/99	106.0270	8.8700
174	Spain	10.10	02/28/01	111.2670	9.0800
186	Spain	8.80	04/30/06	106.4170	8.2700
212	Spain	11.30	01/15/02	117.2670	9.6400
218	Spain	8	05/30/04	102.1460	7.8300
235	Spain	10	02/28/05	113.3590	8.8200
239	Spain	12¼	03/25/00	116.0040	10.5600
241	Spain	9.90	10/31/98	105.9100	9.3500
	Swedish Krona				
51	Sweden	11	01/21/99	111.8644	9.8300
63	Sweden	6	02/09/05	92.7700	6.4700
87	Sweden 1036	10¼	05/05/00	113.3600	9.0400
170	Sweden 1037	8	08/15/07	104.3100	7.6700
180	Sweden	13	06/15/01	126.2000	10.3000
193	Sweden Tbills	zero	03/19/97	98.1697	4.4800
	U.S. Dollar				
7	Argentina FRN	6⅝	03/29/05	80.5600	8.2200
8	Brazil Cap S.L	4½	04/15/14	73.7972	6.1000
33	Argentina par L	5¼	03/31/23	56.8800	9.2300
42	Venezuela	6¾	12/18/07	80.1200	8.2700
52	Brazil 910.0	6 11/16	01/01/01	96.2500	6.9500
54	Brazil S.L	6 9/16	04/15/12	73.3800	8.9400
56	Brazil L	6½	04/15/06	85.8800	7.5700
68	Mexico	11½	05/15/26	97.3750	11.8100
69	Mexico par A	6¼	12/31/19	68.7500	9.0900
78	Brazil par ZI	5	04/15/24	59.1008	8.4600
79	Venezuela par A	6¾	03/31/20	69.2500	9.7500
82	Petroliam Nas'l	6⅝	10/18/01	99.6250	6.6500
83	Brazil S.L	6 9/16	04/15/09	80.0000	8.2000
86	Mexico par B	6¼	12/31/19	68.7500	9.0900
88	Brazil S.ZI	6½	04/15/24	74.7500	8.7000
93	Ecuador	3	02/28/15	57.3853	5.2300
96	Petroliam Nas'l	7⅛	10/18/06	99.5000	7.1600
99	Argentina	11	10/09/06	96.7500	11.3700
108	Mexico D	6.453	12/28/19	82.0000	7.8700
112	Mexico	11⅜	09/15/16	100.0000	11.3800
115	Ecuador par	3¼	02/28/25	41.7500	7.7800
120	Panama pdi	4	07/17/16	74.5217	5.3700
123	Yokohama City	7	10/18/06	100.1250	6.9900
126	Westpac Bkg	5.535	10/21/01	99.9000	5.5400
127	Bulgaria	6 11/16	07/28/11	47.9359	13.9500
128	Sallie Mae	4½	08/02/99	95.6250	4.7100
129	Mexico A	6.453	12/31/19	82.0000	7.8700
132	Italy	6⅞	09/27/23	92.5000	7.4300
133	Mexico	7 11/16	08/06/01	100.0600	7.6800
140	Mexico B	6.391	12/31/19	82.0000	7.7900
142	Argentina L	6 7/16	03/31/23	70.7500	9.1000
157	Argentina	5.445	04/01/01	117½	4.6343
158	Brazil Cbond S.L	4½	04/15/14	63.0950	7.1300
167	EIB	7⅛	09/18/06	102.5000	6.9500
175	Canada	6¾	08/28/06	99.5000	6.7800
177	Britain	6¾	07/19/01	101.2500	6.6700
179	Poland	4	10/27/14	81.6378	4.9000
184	Bulgaria	6 11/16	07/28/24	50.2500	13.3100
188	Bulgaria	2¼	07/28/12	31.3789	7.1700
190	World Bank	6⅝	08/21/06	98.8750	6.7000
200	World Bank	4	11/16/98	96.1250	4.1600
201	Ecuador	6½	02/28/25	65.7313	9.8900
203	Venantius	5.41	01/23/99	99.8000	5.4200
204	Mexico C	6.352	12/31/19	82.0000	7.7500
205	Wachovia Bk	7	10/17/08	98.8750	7.0800
206	Sweden	4½	03/24/99	96.3750	4.6700
211	Mydfo Trust	6 7/16	09/15/07	84.5613	7.9085
215	Santander Fin	5.835	10/17/06	99.5200	5.8600
220	Mexico	zero	11/27/96	124.7109	89.3000
222	Nigeria	6¼	11/15/20	61.5000	10.1600
226	Petrobras	10	10/17/06	99.0000	10.1000
227	Venezuela par B	6¾	03/31/20	69.2500	9.7500
234	Italy	6	09/27/03	96.3750	6.2300
237	Italy	7	09/18/01	101.7000	6.8800
244	Ontario	6	02/21/06	93.3750	6.4300
250	World Bank	6⅝	05/24/01	100.2500	6.3600

The Week Ahead: World Economic Calendar, Oct. 28-Nov.1

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

	Asia-Pacific	Europe	Americas
Expected This Week	**Wellington:** The New Zealand First Party, the leading party in the Parliament, meets with negotiators for the main opposition Labour Party to discuss the formation of a coalition government. Tuesday to Wednesday.	**Frankfurt:** September plant and machinery order figures. **Bonn:** September industrial production figures; September factory orders figures. **Rome:** Bank of Italy holds its Treasury bill auction.	**Denver:** International Business Communications sponsors a conference on creating brand names for electric power. Monday to Wednesday. **San Francisco:** The Center for Business Intelligence sponsors a conference on reducing financial risk for international power projects. Tuesday to Wednesday.
Monday Oct. 28	**Hong Kong:** I.D.E.A. holds a conference on issues facing Asia and Europe. **Annual meetings:** Easycall Communications Philippines Inc., Stamford Tires Corporation Ltd.	**Bern:** October consumer price inflation figures. **Milan:** Mediobanca SpA shareholders discuss results for the first half of the year. **Rome:** July employment in large companies.	**Ottawa:** August employment, earnings and hours. **Sao Paulo:** Institute for Economic Research releases inflation rate for 30 days ended Oct. 23.
Tuesday Oct. 29	**Manila:** Cuervo Far East Inc. holds news conference on the Philippine property market. **Tokyo:** Vehicle exports for September; industrial production figures for September.	**Bonn:** The leading German economic research institutes present their joint autumn forecast. **Brussels:** October consumer prices are released by the ministry of economic affairs. **London:** Money data for September.	**New York:** Johnson Redbook's weekly survey of total sales at more than 20 U.S. department, discount and chain stores. **Washington:** Labor Department reports third quarter employment cost index.
Wednesday Oct. 30	**Company meetings:** Inter-Roller Engineering Ltd., Sime-Singapore Ltd.	**Aachen, Germany:** Aachener & Münchener? sicherung AG hosts conference. Finance Minister Theo Waigel is the speaker. **Madrid:** July unemployment rate. **Paris:** October business confidence survey.	**Arlington, Virginia:** The American Gas Association releases its weekly U.S. natural gas inventory report. **Ottawa:** August unemployment insurance figures. **Washington:** Initial estimate of economic growth for the third quarter.
Thursday Oct. 31	**Tokyo:** September housing starts and construction orders. **Annual meetings:** British and Malayan Trustees Ltd., Khong Guan Flour Filling Ltd., Jain Irrigation Systems Ltd.	**Frankfurt:** BHF-Bank AG holds press conference. **Italy:** Italian air traffic controllers plan to strike from 10 A.M. to 4 P.M. **Paris:** September unemployment survey; Bank of France's monetary policy council meeting.	**Chicago:** The Purchasing Management Association of Chicago releases its October index. **Washington:** Initial weekly state unemployment compensation insurance claims; September personal income spending.
Friday Nov. 1	**Bombay:** Tata Engineering & Locomotive Co. Ltd. holds a board meeting to approve its half-year accounts. **Tokyo:** The Japan Automobile Dealers Association will release figures for car sales in October.	**Public holiday in many countries. *Nothing scheduled.***	**Tempe, Arizona:** National Association of Purchasing Management releases its October index. **Washington:** October unemployment statistics; September leading indicators; September factory orders.

New International Bond Issues

Compiled by Charlotte Sector

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Advanta Credit Card Master Trust	$432.5	2004	0.10	99.959	—	Over 1-month Libor. Average life 5 years. Also $27.5 million paying 0.33 over Libor. Fees not disclosed. (Merrill Lynch Int'l.)
Bank of Western Australia	$150	2001	1/16	99.99	—	Over 3-month Libor. Noncallable. Fees 0.15%. (Paribas Capital Markets.)
Bankers Trust Co.	$200	2001	1/16	100.00	—	Over 3-month Libor. Noncallable. Fees 0.165%. Denominations $10,000. (Bear Stearns Int'l.)
Banque Nationale de Paris	$150	perpt	⅝	99.59	—	Interest will be ⅝ over 3-month Libor until 2006, when issue is callable at par, thereafter 2⅝ over. Fees 0.625%. (CS First Boston.)
Korea Exchange Bank	$200	2006	0.64	100.00	—	Interest will be 0.64 over 3-month Libor until 2001, when issue is callable at par, thereafter 2.00 over. Reoffered at 99.95. Fees 0.40%. Denominations $500,000. (Chase Manhattan Asia.)
Homeloans Nbr 3	£448.4	2028	libor	100.00	—	Issue split into 4 tranches with interest ranging from 0.625 to 0.80 over 3-month Libor in first 2 or 4 years, thereafter from 0.20 to 1¼ over. Average life from 1.10 to 5.70 years. Fees 0.10% to 0.45%. (ING Barings.)
Fixed-Coupons						
ABN-AMRO Bank (Chicago)	$500	2001	6⅜	99.644	99.72	Semiannually. Noncallable. Fees 0.30%. Denominations $100,000. (ABN-AMRO Hoare Govett.)
Associates Corp. of North America	$600	2001	6¾	101.39	99.76	Reoffered at 99.615. Noncallable. Fees 1⅞%. (Goldman Sachs Int'l.)
Bayerische Landesbank	$1,00	2001	6½	101⅝	99.85	Reoffered at par. Noncallable. Fees 1⅞%. (Merrill Lynch Int'l.)
Federal Farm Credit Bank	$50(	1999	6.44	100.00	—	Semiannually. Callable at par from Nov. 1997. Fees 0.15%. Denominations $10,000. (J.P. Morgan Securities.)
KFW Int'l Finance	$20	2002	6⅛	101.17	99.27	Reoffered at 99.57. Noncallable. Fees 1⅞%. (Canadian Imperial Bank of Commerce.)
Kyushu Electric Power	$30	2001	6½	101.162	99.47	Reoffered at 99.562. Noncallable. Fees 1⅞%. (Merrill Lynch Int'l.)
Sigma Finance	$20	2001	6½	101.55	99.73	Reoffered at 99.925. Noncallable. Fees 1⅞%. (SBC Warburg.)
Suedwestdeutsche Landesbank	$30	1999	5.56	99.13	—	Semiannually. Noncallable private placement. Fees 0.20%. (Yamaichi Int'l.)
Venantius	$00	2000	6¼	101.1325	99.38	Reoffered at 99.733. Noncallable. Fees 1⅛ %. (Yamaichi Int'l.)
Argentina	DA500	2026	11¾	101¼	99.05	Reoffered at 99¼. Callable at par from 2006. Fees 2⅜%. (Deutsche Morgan Grenfell.)
Bawag	DA250	2000	4⅝	101.605	99.39	Reoffered at 99.68. Noncallable. Fees 2.15%. (Bayerische Landesbank.)
Landwirtschaftliche Rentenbank	DM150	2006	10	100.10	—	Interest will be a fixed 10% until Nov. 1998, thereafter will be pegged to the 6-month Libor. Reoffered at 97.925. Noncallable. Fees 2⅛%. (Morgan Stanley Bank.)
SNAP	DM50	2009	11½	101.00	—	Callable at par in 2002. Fungible with outstanding issue, raising total amount to 200 million marks. Fees not disclosed. (ING Barings.)
Toyota Motor Credit Corp.	IM1,000	2001	4⅞	101.812	99.33	Reoffered at 99.562. Noncallable. Fees 2%. (Merrill Lynch Int'l.)
British Columbia	£200	2003	7½	101.15	—	Reoffered at 99.575. Noncallable. Fees 1⅞%. (Goldman Sachs Int'l.)
General Electric Capital Corp.	£100	1999	6¾	100.777	—	Reoffered at 99.59. Noncallable. Fees 0.15%. (ABN-AMRO Hoare Govett.)
BNG Finance	FF1,500	2008	6⅛	100.682	99.00	Reoffered at 99.032. Noncallable. Fees 2%. Denominations 100,000 french francs. (ABN-AMRO Hoare Govett.)
ING America Insurance Holdings	FF1,500	2003	5⅝	101.175	99.45	Reoffered at 99.65. Noncallable. Fees 1⅞%. (Morgan Stanley Int'l.)
Morgan Stanley Group	FF1,000	2003	5⅞	101.254	99.95	Reoffered at 99.754. Noncallable. Fees 1⅞%. (Morgan Stanley Int'l.)
Credit Local de France	ITL300,000	2006	8⅛	101.79	100.05	Noncallable. Fees 2%. (Credito Italiano.)
Dresdner Finance	ITL300,000	2001	7.40	101.595	—	Noncallable. Fees 1⅞%. (Banca Nazionale del Lavoro.)
European Investment Bank	ITL250,000	2006	7⅞	101⅛	99.85	Noncallable. Fungible with outstanding issue, raising total amount to 750 billion lire. Fees 1⅞%. (Banca Commerciale Italiana.)
Rabobank Australia	DK500	2002	6	101.825	99.25	Reoffered at 99.925. Noncallable. Fees 1⅞%. (Generale Bank.)
Argentina	Y50,000	2005	6	99.00	—	Noncallable private placement. Fees 1%. Denominations 10 million yen. (Nikko Europe.)
Italy	Y100,000	2016	3.70	100.00	—	Noncallable private placement. Fees 0.50%. (Nomura Int'l.)
Ontario	Y10,000	1999	5.15	100.00	—	Noncallable private placement. Redemption at maturity will be in dollars. Fees 1½%. (Morgan Stanley Int'l.)
Equity-Linked						
Korea Electric Power	Y11,280	2000	zero	100.00	—	Noncallable private placement. Convertible at 34,892 won per share, a 30.6% premium, and at 7.3492 won per yen. Fees not disclosed. (SBC Warburg.)

Last Week's Markets

Stock Indexes

			% Ch'ge
United States			
DJ Indus.	6,007.[illegible]	6,094.23	−1.43
DJ Util.	223.[illegible]	224.57	−0.56
DJ Trans.	2,126.[illegible]	2,116.42	+0.46
S & P 100	67[illegible]2	690.00	−1.92
S & P 500	70[illegible]2	710.02	−1.28
S & P Ind	82[illegible]1	839.55	−1.71
NYSE Cp	37[illegible]6	378.32	−1.34
Nasdaq Cp	1,22[illegible]0	1,243.00	−1.46
Japan			
Nikkei 225	20,7[illegible]97	21,612.30	−4.04
Britain			
FTSE 100	4,0[illegible].40	4,053.10	−0.76
Canada			
TSE Indus.	5,[illegible].78	5,492.60	+1.04
France			
CAC 40	2,[illegible].43	2,185.23	−1.04
Germany			
DAX	2,[illegible]74.22	2,734.82	−2.22
Hong Kong			
Hang Seng	12,[illegible]88.38	12,510.05	−0.97
World			
MSCIP	[illegible]792.76	799.25	−0.81

World Index from Morgan Stanley Capital Int'l Perspective.

Money Rates

	Oct. 25	Oct. 18
United States		
Discount rate	5.00	5.00
Prime rate	8¼	8¼
Federal funds rate	5⅜	5¼
Japan		
Discount	0.50	0.50
Call money	0.43	0.41
3-month interbank	0.53	0.53
Britain		
Bank base rate	5¾	5¾
Call money	5⅝	5⅝
3-month interbank	6.00	6 1/16
France		
Intervention rate	3¼	3¼
Call money	3⅜	3⅜
3-month interbank	3⅜	3⅜
Germany		
Lombard	4.50	4.50
Call money	3.07	3.05
3-month interbank	3.16	3.16

Gold	Oct. 25	Oct. 18	% Ch'ge
London p.m. fix $	382.55	380.00	+0.67

Euromarts

Eurobond Yields

	Oct. 25	Oct. 18	Yr high	Yr low
U.S. $, long term	6.88	6.97	7.28	6.17
U.S. $, mdm term	6.37	6.43	6.81	5.61
U.S. $, short term	6.01	6.02	6.48	5.19
Pounds sterling	7.31	7.34	7.88	6.99
French francs	5.18	5.36	6.38	5.11
Italian lire	7.79	7.91	10.45	7.79
Danish kroner	5.83	5.74	6.51	5.70
Swedish kronor	5.88	5.99	8.55	5.88
ECUs, long term	6.28	6.29	7.50	6.23
ECUs, mdm term	5.28	5.30	6.56	5.26
Can. $	5.96	6.11	7.41	5.96
Aus. $	7.41	7.43	9.04	7.39
N.Z. $	7.80	7.78	9.37	7.04
Yen	2.10	2.04	2.78	2.04

Source: Luxembourg stock exchange.

Weekly Sales Oct. 24

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Primary Market				
Straights	23.2	157.8	1,443.3	397.9
Convert.	—	0.9	78.8	123.0
FRNs	268.1	1,680.8	989.0	199.6
ECP	11,499.2	8,667.2	12,181.8	11,211.3
Total	11,790.5	10,507.2	14,692.9	11,931.8
Secondary Market				
Straights	16,133.5	24,107.0	55,846.2	29,939.2
Convert.	557.8	751.3	2,232.6	2,155.6
FRNs	13,133.0	6,827.8	51,959.0	5,583.7
ECP	10,165.3	15,353.5	20,416.0	31,961.4
Total	39,989.6	47,039.6	130,453.8	69,639.9

Source: Euroclear, Cedel Bank.

Libor Rates

	1-month	3-month	6-month
U.S. $	5⅜	5½	5⅝
Deutsche mark	3⅛	3 3/16	3¼
Pound sterling	6 1/16	6 3/16	6 5/16
French franc	3 5/16	3 5/16	3½
ECU	4⅛	4⅛	4⅛
Yen	½	7/16	7/16

Sources: Lloyds Bank, Reuters.

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SHORT COVER

Seoul and EU to Sign Trade Pact

BRUSSELS (Reuters) — South Korea and the European Union are to sign a five-year trade agreement Monday in which each side grants the other most-favored nation trading status.

Foreign Minister Gong Ro Myung is scheduled to sign the agreement at an EU foreign ministers meeting in Luxembourg. But the pact comes as the EU argues that it is being discriminated against in South Korean telecommunications procurement.

Alcatel Workers to Discuss Job Cuts

PARIS (Bloomberg) — Alcatel CIT said Sunday that its workers council would discuss plans Nov. 5 to eliminate 1,600 jobs by the end of 1998.

The move would reduce the work force at the loss-making telecommunications equipment manufacturing unit of Alcatel Alsthom SA by 17 percent. Cuts will come at European factories, particularly in Lannion and Ormes, France, the company said, but no plants are expected to close.

Australian TV Firms Stop Sharing

SYDNEY (Bloomberg) — Nine Network Ltd. has ended a program supply agreement with its main rival, Seven Network Ltd., after court action by the Australian Competition and Consumer Commission.

The regulator had said Nine, the No. 1 Australian commercial television company, and Seven breached competition laws through agreements over licenses and programming in Western Australia state and the Northern Territory.

The commission said that following talks Friday, Nine and its subsidiary Territory Television had agreed to terminate a program agreement with Seven for the Darwin market.

Singapore Air 1st Half Net Rises 7%

SINGAPORE (Reuters) — Singapore Airlines Ltd. announced Monday that consolidated net profit for the first half ended Sept. 30 rose 7 percent, to 560.5 million Singapore dollars ($395.7 million), against the like period last year.

Sales rose 5 percent, to 3.53 billion dollars, on higher passenger traffic. But increased jet fuel costs and the strength of the Singapore dollar cut into profit, the national carrier said.

For the Record

Rolls-Royce PLC plans a reorganization that would involve selling most industrial-power and materials-handling operations and refocusing on aerospace operations, The Sunday Times reported. *(Bloomberg)*

Taiwan has agreed to resume imports of South Korean cars, ending a four-year ban prompted by Seoul's forging diplomatic ties with Beijing, reports said Sunday. *(AFP)*

Indian unions said a 5-day-old strike would continue to cripple phone and postal services until the government gave written assurances it would meet workers' demands. *(Reuters)*

Inflation held steady in Vietnam at 2.9 percent for the period ended Oct. 25 against the like month last year. Prices rose 0.1 percent from September. *(AFP)*

The chief executive of Siemens AG, Heinrich von Pierer, restated to a German newsmagazine that the company's profit would rise 20 percent this year but added that earnings were weak compared with those of global competitors. *(Reuters)*

U.S. and EU Head for Difficult Talks on 'Open Skies'

Reuters

WASHINGTON — Senior aviation officials from the United States and the European Union will meet this week to begin what are certain to be long and arduous talks toward ending the many restrictions now curbing trans-Atlantic air travel.

Their aim is eventually to write an "open skies" aviation services agreement that would allow American carriers to fly to any of the 15 EU countries and give EU airlines unlimited access to U.S. cities.

The meetings in Washington on Wednesday and Thursday will be the first between the two sides after an agreement by the EU to allow its executives in Brussels to work out a common aviation policy with Washington.

An overall agreement between the United States and the European Union would replace the many separate bilateral pacts now governing air services between the United States and Europe.

But no hope was expressed that any early accord was likely, with some European countries still protective of their national airlines and reluctant to see them in unrestricted competition with the generally more efficient U.S. carriers.

"The aim is for the EU delegation to explain its mandate and to discuss the future of trans-Atlantic aviation," a U.S. official said. "These are not formal negotiations."

Trans-Atlantic air travel is now hampered by many curbs that limit routes, schedules and fares, and, while some EU nations have reached "open skies" pacts with Washington, others are reluctant to cede sovereignty to Brussels.

The United States has argued that a free market in aviation would spur competition and drive down fares.

EU officials said the discussions with the United States would eventually include open access to each other's markets, but initially talks would be confined to competition rules and investment possibilities.

Some foreign carriers have shown interest in buying a controlling interest in American carriers, but U.S. law now bars foreigners from owning more than 25 percent of a U.S. airline.

The decision by EU countries to negotiate as a single entity with the United States follows separate "open skies" accords the United States reached with Germany and some smaller EU members.

At the time, U.S. officials said they hoped the separate agreements would persuade the EU countries to agree to negotiate with the United States as a single entity.

The EU move to negotiate as a community also followed a spate of separate marketing agreements U.S. airlines reached with European carriers to coordinate their reservation systems, schedules and frequent flyer programs.

They include pacts between United Airlines, a unit of UAL Corp., and Lufthansa AG; Northwest Airlines Corp. and KLM Royal Dutch Airlines; and Delta Air Lines Inc. and Swissair, Sabena NV and Austrian Airlines. In addition, American Airlines, a unit of AMR Corp., and British Airways PLC have announced plans to coordinate their trans-Atlantic services.

Chinese Tax Authorities to Audit Foreign Firms

Compiled by Our Staff From Dispatches

BEIJING — Chinese tax authorities have launched a comprehensive audit of representative offices of foreign companies on suspicions of widespread fraud, China Daily Business Weekly reported Sunday.

"The increase in tax revenue from the representative offices is much lower than the expansion of the offices opened by foreign companies," the newspaper quoted Su Xiaolu, head of foreign inspection at the State Administration of Taxation, as saying.

He said there were 7,000 registered representative offices in China — compared with 1,000 in 1985 — but the growth in tax revenue did not match the rise over this period.

The newspaper, published by the official China Daily, did not give any figures for tax revenues from representative offices.

China does not allow foreign representative offices to conduct operations that will produce revenue, limiting their role to that of business coordinators. But it taxes representative offices anyway, by setting a rate based on their total expenses.

Some representative offices had not registered with tax authorities, while others used intermediaries to conduct business, the paper said. It said that a 1994 survey showed that more than 2,000 representative offices in Beijing alone had not registered with tax authorities.

Mr. Su said that tax authorities would select key offices for audit and that serious offenders would be listed publicly.

The paper said hotels would be a focus of the effort. Companies that failed to register would not be allowed to rent hotel rooms for office space. *(Reuters, AFP)*

■ New Call for Car Financing

First Automotive Corp., China's distributor of cars produced by FAW-Volkswagen Automotive Co., will appeal to the government to permit a resumption of car financing to help revive flagging domestic sales, Reuters reported Sunday, quoting the China Daily Business Weekly.

The distributor will be joined by the Construction Bank of China in demanding that an installment buying plan that was suspended in September be reinstated, the newspaper said.

Israel Predicts Fast Economic Growth in 1997

Compiled by Our Staff From Dispatches

JERUSALEM — Israeli economic growth will accelerate in 1997 after dropping sharply this year, the government said Sunday as it proposed the 1997 budget, but the rate will still not equal that of the early 1990s.

The Finance Ministry said the growth prediction was based on cuts included in the budget.

Gross domestic product should grow 4.0 percent in 1997, the government forecast, up from the projected 3.8 percent rate for this year but still sharply lower than the 7.1 percent reported for 1995.

"In the first half of the 1990s, gross domestic product grew 6 to 7 percent annually," said Tsipi Gal-Yam, chief of economic planning. "This is not a normal phenomenon."

While growth in the business sector is forecast at 4.5 percent for 1997, private consumption is expected to slow to 1.8 percent from the 3.4 percent expected for this year.

Two factors led to the slowing of GDP growth this year, said David Brodet, director-general of finance. A series of terrorist attacks in spring affected tourism and exports to the West Bank and Gaza Strip, he said, while the strength of the shekel dampened exports in general.

"Both of these influenced the budget deficit and the balance-of-payments deficit," Mr. Brodet said.

The proposed 191.00 billion-shekel ($58.24 billion) budget would reduce spending by 4.90 billion shekels, which would bring the deficit to 2.8 percent of GDP.

"If Parliament accepts a deficit of 2.8 percent, it will be a great contribution to returning the economy to a growth track," " Mr. Brodet said.

Projected revenue includes 4.30 billion shekels in "capital income," to come mainly from the sale of state-owned assets.

The Knesset, or Parliament, is to open debate on the budget Tuesday and has until the end of the year to approve it.

The current budget allowed for a deficit of 3.2 percent of GDP, or 8.40 billion shekels. But the government exceeded that limit after eight months.

"The '96 deficit will be above the figures we presented last year," Mr. Brodet said. "I can't give you exact figures, because we are still spending." *(Reuters, Bloomberg)*

Market Guru Sees Decline in Stocks After U.S. Election

Agence France-Presse

BONN — Elaine Garzarelli, a financial analyst who predicted the October 1987 U.S. stock-market crash, is expecting another big drop on Wall Street after the American elections on Nov. 5.

Ms. Garzarelli, whose views are respected by many investors, told Der Spiegel magazine that she expected U.S. markets to fall 15 to 25 percent by the end of the year.

She said the reasons for the downturn could include a decline in both U.S. economic growth and corporate results.

Ms. Garzarelli said the Federal Reserve Board was concerned by the current conjunction of high stock prices and low interest rates, and it feared a "new surge of speculation."

"It will have to raise interest rates, rather than lower them once again," she told the German newsmagazine in an interview that will be published Monday.

"Nothing will happen before the presidential election," she added. "But afterwards, the risk period will begin. A slight increase in interest rates by the central bank will suffice."

Growth and Value Funds Hit a Balance

By Edward Wyatt
New York Times Service

NEW YORK — Which would you bet on: high-octane growth mutual funds, which buy shares of companies with rapidly growing earnings, or slow-and-steady value funds, which buy out-of-favor stocks with low valuations?

The answer seems to be make little difference these days. After greatly outperforming in the first half, growth funds took a beating early in the third quarter and have since remained virtually neck and neck with value funds.

For the year through Thursday, a measure of value funds gained 13.4 percent since the end of last year, while one of growth funds rose 12.7 percent.

The rates of growth come from Lipper Analytical Services, which makes it easy to compare the performance of growth and value funds with two benchmarks: a high-growth-rate fund index and a low-priced value index.

Each index measures the median performance of 30 general equity funds. The growth index includes funds with the highest combined sales and earnings-per-share growth rates, on average, for the previous four quarters, while the value index tracks funds with the lowest combined ratios of price to earnings and price to book value, or assets minus liabilities.

In addition to tracking each other closely so far this year, growth and value funds ran a tight race in 1995, with growth edging ahead. In previous years, the two groups varied markedly in performance.

Looking ahead, one market strategist suggests that growth stocks hold the greatest potential for long-term investors who can stomach some ups and downs.

"Just going out and buying cheap stocks might not work as well as it has in the past," said Alfred Kugel of Stein Roe & Farnham, a mutual fund subsidiary of Liberty Financial Services Inc. "They are much harder to find and the values are not as good as they used to be."

That contrasts, he said, with the market environment in the late 1970s and early 1980s, the heyday of value investing, when buyers sought companies with valuable assets but weak management.

"We don't have a cheap market anymore," Mr. Kugel said. "And we're not going to have a buoyant economy. When the stream isn't flowing very fast, you are better off owning companies that, for whatever reason, are going to produce faster earnings growth."

While value funds held up better in the July sell-off, long-term investors should not be concerned by such short-term turns of fortune, he said.

"I regard that as a kind of blip," Mr. Kugel said. "It doesn't even show up on our long-term charts anymore."

STOCKS: *Some of Those Hot IPOs Could Burn Careless Investors*

Continued from Page 13

prises are very new to the market. Homegate Hospitality Inc., a Dallas concern that is planning a chain of extended-stay hotels, was formed only this year. The company is running several hotels and its pedigree is impressive — it was created by the Trammell Crow Residential Co., among *others* — but it could include only 13 days of hotel operations through June 30 in its financial data. Nevertheless, Homegate raised nearly $50 million in its offering last week.

Investors seem willing to gamble on some companies, no matter how great the odds. Enamelon Inc. is a New York start-up that hopes to develop a sparkling toothpaste by the end of the year. The company has no revenue and faces competition from Procter & Gamble Co. and Colgate-Palmolive Co., but it raised nearly $12 million through its initial public offering Thursday.

Many companies are going public without having demonstrated an ability to make and sell their main products.

Alyn Corp., which has developed a kind of metal composite used in bicycle frames and computer hard disks, has not had any product sales for two years, with the exception of some prototypes, and does not expect any before next year.

Yet the California company raised more than $37 million Oct. 21, and by Friday its stock had risen 12 percent above its $13.50 offering price.

Uroquest Medical, a medical-device company in Salt Lake City, raised $20 million Thursday, even though it is awaiting approval from the Food and Drug Administration to market a new kind of catheter and faces plenty of competition from other device makers.

For companies that do have track records, the prices can be extraordinarily high. International Network Services, a California company, went public last month at a market value equal to more than 10 times its annual revenue.

Compare that with Microsoft Corp., which went public at only four times yearly sales, Mr. Natale said. International Network's stock, which nearly doubled in price on its first day of trading, finished Friday at $35.75, giving it a market value of roughly 25 times sales.

The sheer number of new issues and their high prices has raised many of the same concerns over IPOs that arose before the market correction this summer. That scare seems to have been just a blip.

Anxious issuers are trying to go public fast. Companies "see the window closing and are trying to get through it before it shuts for a very long time," said Linda Killian of Renaissance Capital, an IPO research firm.

For those looking to new issues for some sign about the health of the overall stock market, Mr. Natale is not optimistic.

The IPO market tends to peak before the overall market drops, as it did in the mid-1980s and 1987, or turns in a lackluster performance, as it did in 1994.

"Here we are hitting another peak," he said. "What this tells us is, at best, stock prices are not going anywhere."

Others say that as long as mutual fund managers have money to invest in new issues, the IPO market will bubble along.

"As long as liquidity keeps coming in, we should be fine," said Ken Fitzsimmons, director of capital markets for Robertson, Stephens & Co.

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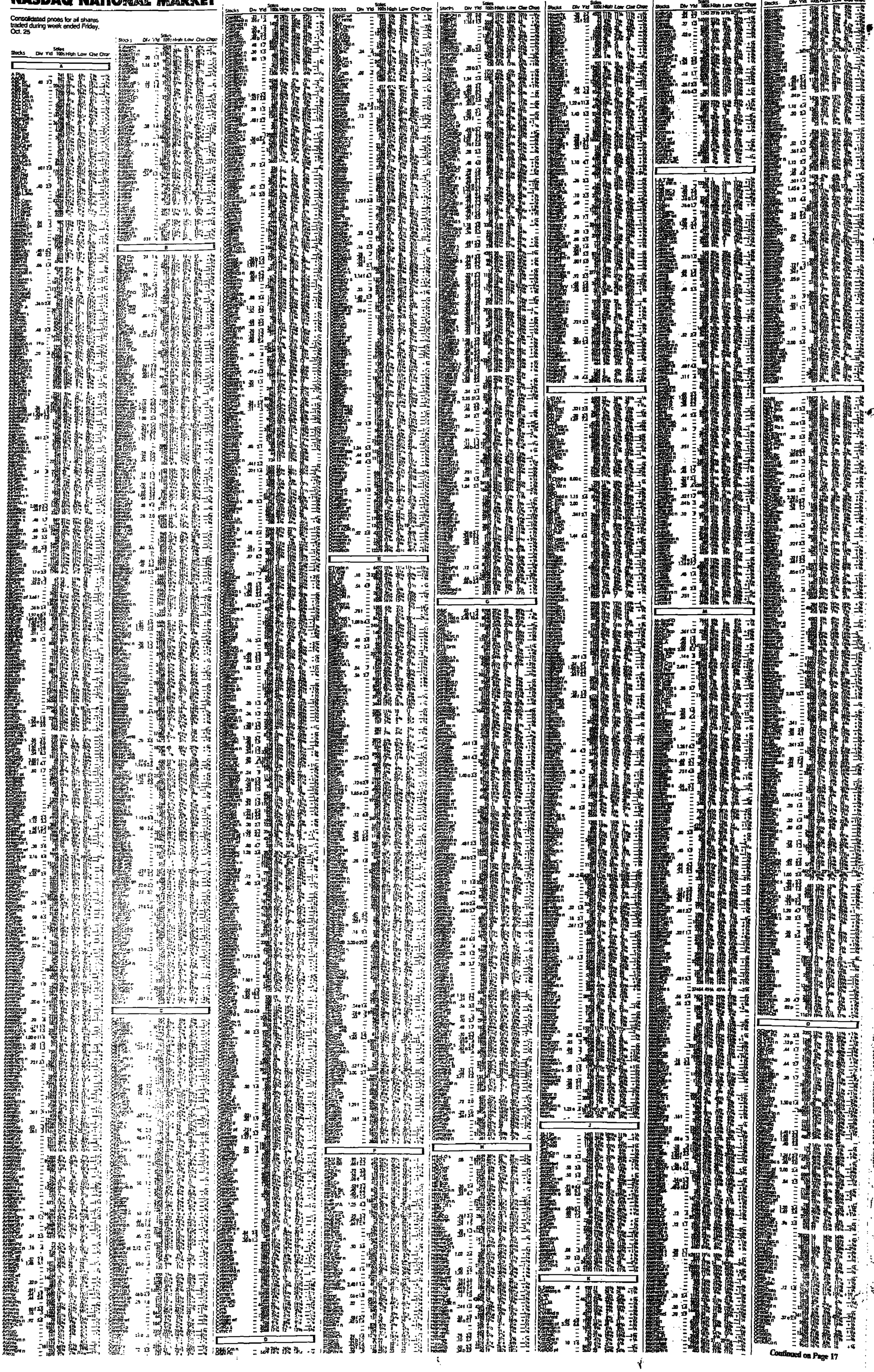
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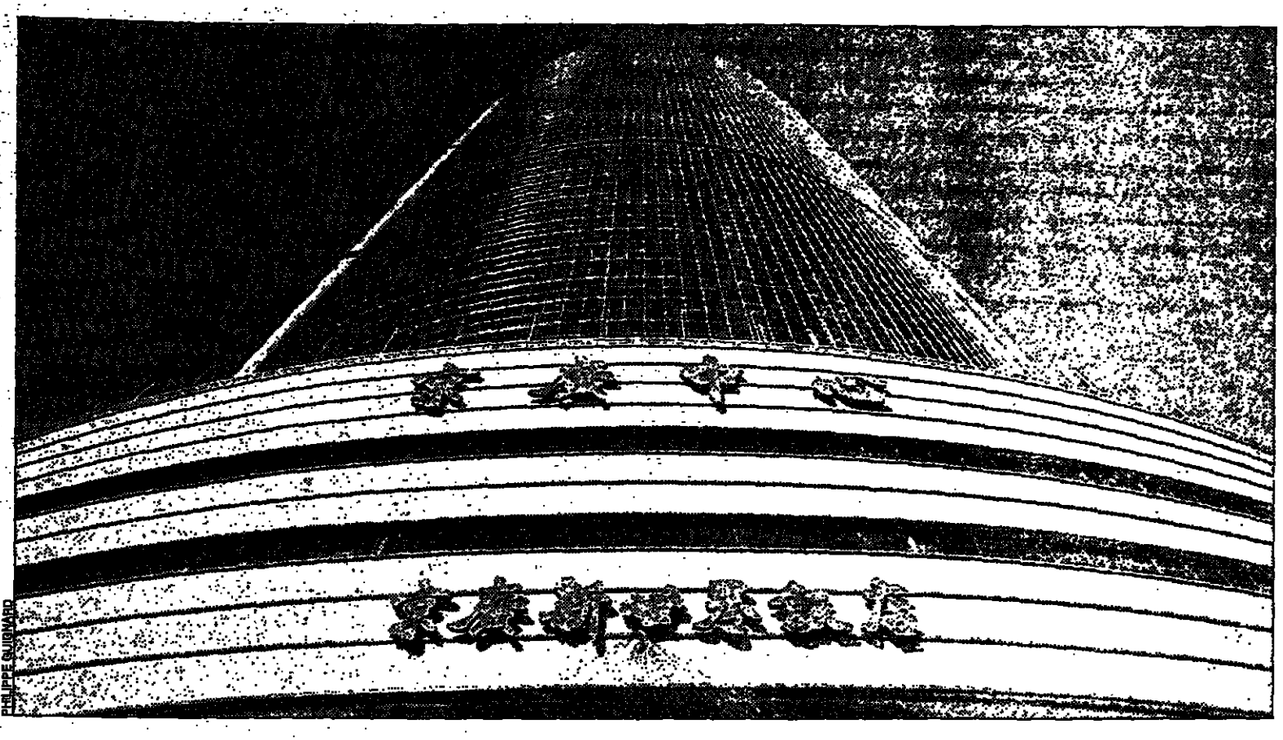


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DOING BUSINESS IN CHINA

Reaching for the sky: ***While the immense promise of the Chinese market has proved a magnet for foreign investors, the challenges of doing business there are matched only by the potential rewards.***


PHILIPPE GUIGNARD

FACTS AND FIGURES

Area: 9,597,000 square kilometers
Capital: Beijing
Population: 1.25 billion
Adult literacy: 80%
GDP per capita: *$571*
Average annual GDP growth rate (1979-95): 9.9%
Imports: $132.1 billion
Exports: $149 billion
Main trading partners: Japan (21.6%), the United States (14.2%), Hong Kong (13.4%), South Korea (6.9%), Taiwan (6.5 %) and Germany (4.7%).
Foreign direct investment into China: $37.7 billion

TARGETING 1.25 BILLION POTENTIAL CUSTOMERS

Despite the difficulties of doing business in China, its sharp growth and huge market continue to attract investors.

China is many countries to many different people. To foreign joint-venture partners in the 1980s, it was the source of cheap labor to support export markets. To economists, China is already the world's most populous country and may become its largest economy within 20 years. To aid agencies, it is a poor country, where 200 million to 400 million people are impoverished. To many foreign companies, China looks like the next big market, a country of 1.25 billion potential consumers.

China is all of these and much more. In the latest portrait of China, foreign companies are focusing on the country's sharp growth and its role as an emerging market for goods ranging from shampoo and financial services to dams, roads and power plants. As the central bank loosens credit, the central government deregulates many key industries and the renminbi moves ever closer to full convertibility, China again looks like a market with huge potential.

This potential is being realized with resources provided by foreign investment. The AXA/National Mutual China Asia No. 1 Fund, created by the AXA/National Mutual Group, one of the world's largest insurers, has become the latest investment vehicle to tap China's growth. Launched in September, the fund is targeted to direct $500 million to China, with up to 75 percent of the fund's capital invested in Chinese high-growth industries. These funds will be targeted at businesses that directly serve China's growing consumer base.

The National Federation of Coffee Growers has taken note of rising consumer spending. The organization will direct its first major new advertising campaign in six years at China, according to Executive Secretary Celsius Lodder. The aim of the $4 million campaign will be to draw some of those 1.25 billion consumers away from tea – a beverage that has become synonymous with China – and toward coffee. Increasing wealth is making coffee more affordable and more appealing to status-conscious Chinese.

China's economy has grown at an average rate of 9.9 percent since market reforms took hold in 1979. In the past 26 years, China has more than doubled its output each decade and has a good chance of continuing this phenomenal growth in coming decades.

Hungry for foreign goods

With attention focused on China's growth, it can be easy to miss the point that China remains an essentially poor country. In 1995, China's GDP per capita was $571. This is expected to grow at an average rate of about 8 percent. Yet there is a concentration of wealth along China's coastal regions, home to growing numbers of consumers hungry for foreign goods.

China's ninth Five-year Plan will set the mood and pace of growth for the coming years. With its focus on stable economic growth, increased technology transfer and improved distribution of wealth, the plan will lay out a road map for foreign investors. China will bring its economic system in line with market economies, but it will also drive an increasingly hard bargain in dealing with foreign investors.

Continued on page VIII


PHILIPPE GUIGNARD

The Forbidden City: foreigners welcome.

WHY CHICKEN HEADS ARE BETTER THAN OXTAILS

A look at the rise of Greater China.

Some 55 million ethnic Chinese live in 119 countries around the world. This far-flung grouping of emigrants is both a source of capital and a model for China. Although they represent only 4.4 percent of China's population, their earnings total nearly $320 billion, or nearly 60 percent of China's gross national product in 1995.

Ethnic Chinese living in Hong Kong and Southeast Asia are prime examples of this strength. They control $180 billion worth of wealth and are the primary contributors of the capital required to develop China. Recent estimates indicate that they contribute nearly 80 percent of the foreign investment in China. In addition, they have served as an important conduit of business opportunities and development know-how into China.

In Malaysia, Thailand, Indonesia, the Philippines and tiny Singapore, Chinese families are both the foundation and the structure of business communities. In some cases, ethnic Chinese represent less than 2 percent of the population, yet control 70 percent of corporate assets.

Malaysian Chinese controlled 83 of the 500 largest companies in Asia in 1994, with a market capitalization of some $55 billion and total assets of $49 billion, according to authors Murray Weiderbaum and Simon Hughes in their book "The Bamboo Network."

Four years ago, Malaysia's first build-own-operate con-

Continued on page II

AMBITIONS FOR THE YEAR 2000

The country's latest Five-year Plan takes it into the next century.

China's ninth Five-year Plan (1996-2000), unveiled in September 1995 and endorsed by the National People's Congress in March 1996, marks a concerted effort to rein in the problems that have beset China as it strives to develop. Chief among these have been inflation, a widening income gap between rich and poor, troubled state-owned enterprises (SOEs) and the need to encourage technological development.

Cutting its growth targets to 8 percent for the period 1996-2000 is the main step in efforts to keep inflation under control. This is 1.9 percentage points lower than the actual growth rate from 1979 to 1995. In addition, the chronic problem of its SOEs has become a priority. The central government also intends to strengthen market reforms and to continue its reforms of the fiscal and financial system.

Key elements

Two main elements are evident in this latest five-year plan. First, China has acknowledged that it has been overly dependent on increased inputs to increase its outputs. To counter this, the central government intends to use more resources to increase productivity, critical to sustaining growth. Secondly, the central government will intensify its efforts to shift the economy from a system of central planning to a market-style economy.


PHILIPPE GUIGNARD

Assembling electrical components in Shanghai: The future is high tech.

Together, these efforts are aimed at increasing the quality and sustainability of China's growth. By increasing productivity as well as the efficiency of pricing methods and allocation of capital, Beijing hopes to lower its growth rate slightly, while making this growth increasingly sustainable.

A key to this will be the gradual sell-off of China's SOEs. The majority of these are loss-making enterprises. The productivity lost through the closure or privatization of these companies will be largely replaced through promotion of "township and village enterprises." TVEs are small businesses that mark the reorganization of China's productivity after its collectivization efforts were abandoned; they are largely regulated at the local and regional level. The success of these enterprises has been one of the most unexpected achievement's of China's market reform. About 25 million of these companies have been set up over the past 17 years. Their output has soared by a real rate of 30 percent each year during this period. At the end of 1995, they employed 235 million people and produced almost 20 percent of China's total gross domestic product.

Compared with any other challenge facing China in the coming five years, reform of its ailing state sector may be both the most difficult and the most essential. China has about 80,000 SOEs. While it has already sold about 3,000 to employees working for these companies, it intends to dispose of all but 1,000 of the remainder. This may lead to a massive privatization.

While China cannot afford to continue supporting these companies, it also cannot afford to stop doing so, as this could lead to a massive boost in unemployment and resulting social unrest. Thus, Beijing will take a gradual and flexible approach to removing companies from its books. A successful shift of these businesses from the public to private sector will sharply boost productivity.

The plan also indicates the Chinese leadership's efforts to further liberalize its trade regime. While many see this as part of China's efforts to join the World Trade Organization, it is probably aimed at increasing foreign trade and acquiring much-needed modern technology, management skills and resources to underpin its growth.

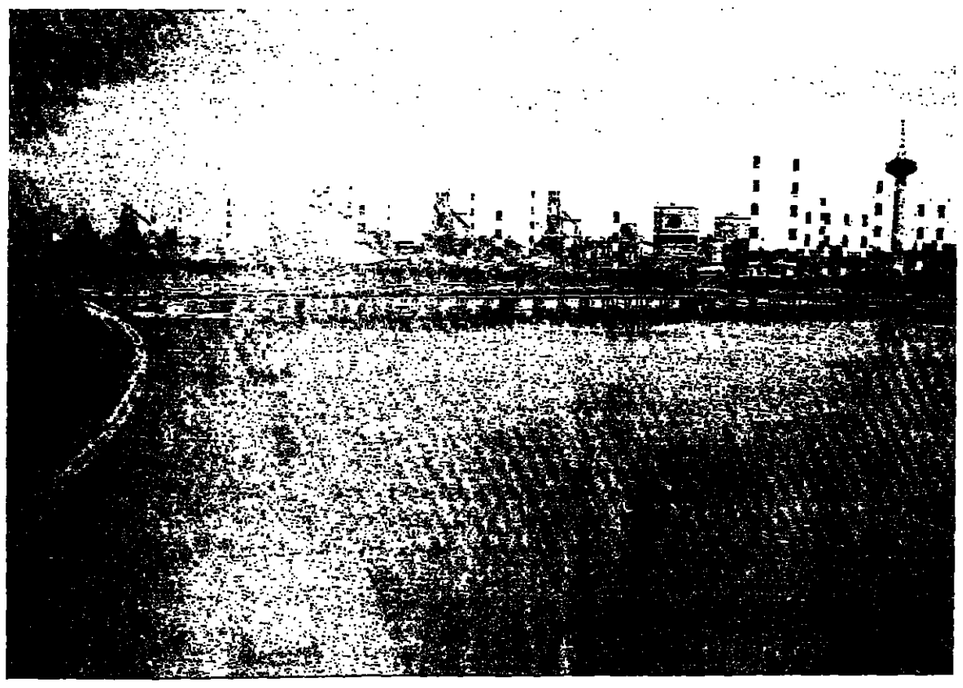
Infrastructure investment

This five-year plan also aims to increase investment in infrastructure. It proposes three broad measures for expanding infrastructure development. First, it will allow more public funds to flow into infrastructure development, with a target of 60 percent of key projects through 2000 being infrastructure-related. Second, it will gradually lift price controls on energy and transportation to lure more private funds into these sectors. Third, it will encourage more foreign investment in infrastructure. Beijing has already published guidelines for foreign investment in infrastructure development and intends to create detailed regulations that should make participation easier and more transparent.

Christopher Kuffel

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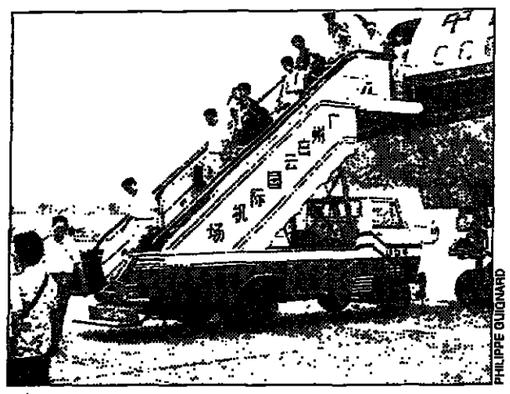
DOING BUSINESS IN CHINA

UP IN THE AIR: THE FUTURE OF AVIATION

International aviation companies are fighting for a share of this lucrative market.

Western tourists are sometimes bemused by the cheap playing cards, model planes and paper fans given out by Chinese airlines, but they seldom understand what these mean to Chinese travelers. For most of the latter, the simple gifts are proud evidences of a once-in-a-lifetime experience on a plane.

Traveling by air is still a luxury in China. Most Chinese have to sit on a narrow, hard seat on a smoke-shrouded train for 40 hours to go from Beijing in the north to Guangzhou in the south. This is out of sync with the country's economic boom, which calls for a more efficient way of traveling. The country's aviation industry is in urgent need of development.



Air travel may still be a luxury for most Chinese, but the country is one of the world's fastest-growing aviation markets.

China is one of the world's fastest-growing aviation markets, with passenger and cargo demand expanding at an annual rate of more than 20 percent. Lacking the ability to build aircraft in large numbers, China's aviation relies mainly on imports. According to China's Civil Aviation Administration – which controls most of China's biggest airlines, including China Southern Airlines and China Eastern Airlines – China will buy 240 new aircraft in the next five years.

Battle for market share

The market has been dominated by Boeing since its first 707 sales in the early 1970s. Having delivered 252 planes over the past 24 years, Boeing claims a 70 percent share in the Chinese market; it is trailed by European consortium Airbus Industrie and the United States' McDonnell-Douglas. The three have been fighting for market share in China despite a purchase freeze imposed by the CAAC two years ago, after hundreds of people died in a air accidents that resulted from too-rapid growth. The state decided to allow time to train pilots and air-traffic controllers and improve airports and related infrastructure.

The freeze came to an end when Chinese Premier Li Peng signed a $1.3 billion contract with Airbus for 30 short-haul A320 jets. It was a huge shock to Boeing, which complained about the "ill-founded political considerations" behind the deal, hinting at the worsening Sino-U.S. relations due to the Taiwan issue. U.S. criticism of China's human rights records and its objection to accepting China into the World Trade Organization.

Based on its own experience, however, Boeing should be able to realize that politics has always been part of China's international economic activities. Boeing itself benefited from this after the groundbreaking visit of the late U.S. President Richard Nixon to the socialist country in 1972. Trying to advance its fledgling relationship with the United States, China bought 10 707s within a year.

According to some analysts, however, the importance of political factors has been exaggerated. Some observers think that the A320 is simply a better plane than the Boeing 737, and that Airbus's competitiveness has increased tremendously since 1994, when it opened a Beijing office and beefed up its Chinese marketing and technical services. Now, half of the 100 employees in the Beijing office are Chinese, and they visit every airline at least once a month to win their loyalty.

Jim Eckes, managing director of Hong Kong-based Indoswiss Aviation, says that Boeing made a serious mistake by letting its experienced China sales chief retire two years ago. "You don't change horses in mid-stream," Mr. Eckes says. "He covered China for 18 years and had very good connections there. He treated the little guys nicely, and when they came out on top a few years later, they always remembered him. This is a big loss to Boeing, especially at a time when Airbus was doing all the right things in China. From my experience, Chinese aviation people are highly professional and know what they want. They are just as good as professionals anywhere else."

Recent developments have been in Airbus's favor. Following the $1.3 billion deal, Beijing announced that it would team up with a European consortium, which included Airbus Partners, to build 100-seat aircraft, a project Boeing had bid on but lost. In contrast, a planned $3.5 billion purchase of Boeing planes was postponed.

Boeing is still a leading player in the Chinese aviation market, especially in long-range aircraft such as the Boeing 747; this model suits the country, which suffers from shortages of pilots and modern airport facilities. Mr. Eckes estimates that it costs Airbus $10 billion to develop aircraft comparable to the Boeing 747.

Stephen Miller, managing director of Trinity Aviation in Hong Kong, predicts that eventually Airbus can increase its market share to between 30 percent and 35 percent. "Boeing has been in China for a long time, and everybody from pilots to technicians knows Boeing aircraft," he says. "Airbus went in only a few years ago, and it certainly has a long way to go to catch up."

Angelica Cheung



The road may be rough, but they're getting there: To help relieve bottlenecks, China plans to build 150,000 kilometers of new roads and complete other transportation projects by the year 2000.

GETTING GOODS TO THE MARKET REMAINS A MAJOR HEADACHE

The country's transport system lags behind distribution needs.

For years, Coca-Cola suffered from a recurring mid-summer's nightmare. "We'd book rail cars in advance to deliver orders, only to be told at the loading platform that everything had been commandeered for a government mission to deliver watermelons," says B.C. Lo, a company vice president based in Hong Kong. The delay lasted only a few days, but "our consumers can't be kept waiting that long," says Mr. Lo. This is why Coke has diversified its distribution to everything from trucks to tricycles.

Foreign investors' fears

As the Chinese economy continues to grow, foreign investors fear that China's transportation system cannot keep up with distribution needs. With national railways running $770 million in the red, foreign companies that live and die by distribution are already making the transition from rails to roads.

According to one foreign distributor for a major multinational company, "When you drop off your product at the train station, you've basically forfeited any control and predictability over delivery." Even though using trucks can cost five times as much as rail, "We go with what's reliable," he says.

The problem with China's rail system, says Charles Brown, managing director of Hong Kong-based rail consultancy Asiarails, Ltd., is overload. "The rails are the only way to get to some destinations because the roads are poor," he says. "They're always overbooked, so cargoes get left behind, misplaced or arrive late."

In anticipation of growing demand for reliable long-distance transport, China's central government has opened its distribution sector to foreigners

Trucking band aids

That's why Johnson and Johnson, which formerly relied heavily on rail transport, now rolls its band-aids all over China by the truckload. "It doubles our distribution costs, but at least we know where it's going and when it'll get there," says Helen Liu, Johnson and Johnson's logistics manager in Shanghai.

The importance of building roads is not lost on the central government. With more private vehicles clogging lanes once dominated by trucks and buses, China plans to relieve bottlenecks by paving some 150,000 kilometers (93,000 miles) of new roads as part of its ninth Five-year Plan (1996-2000).

Beijing has laid the ground for four major national expressways that, when completed, will crisscross the Chinese landscape like a giant tic-tac-toe grid. The new network will link existing provincial highways, open inaccessible inland markets, and cut the time and cost of long-distance travel. There's only one problem: no money.

"China has traditionally relied on tolls, local construction fees and taxes, but it's not enough for the large-scale improvements needed," says Mr. Liu E, a World Bank China Mission project manager in charge of highways.

Aside from World Bank soft loans (nearly $4 billion to date), the central government is also experimenting with a build, operate and transfer (BOT) pilot project: the Yangxi-Dianbai highway in Guangdong province.

"Beijing is counting on international consortiums that can raise ready cash," says Mr. Liu. If the pilot project works, BOT could become a mainstay of infrastructure funding in China.

But cash-strapped local governments are taking matters into their own hands. Inland Henan province, for example, in need of nearly $2 billion to fund its road projects for the next five years, will issue highway stocks on the Kuala Lumpur exchange. And Zhuhai Highway Co. debuted $200 million in bonds as China's first junk offering on the international debt market in early August. Zhuhai will pour cash raised from the flotation into new projects.

In anticipation of growing demand for reliable long-distance transport, the central government has opened its distribution sector to foreigners. "Local companies don't provide distribution that lives up to international standards," says Tom Stilmock, general manager of San Francisco-based Global International. Global's new joint-venture in Beijing has its own warehouse and fleet of trucks to move delicate high-tech goods.

Regional players

Most distribution companies, however, are at best regional players confined to the coast. "China is just too big a country, and the roads in the hinterlands are too poor for anyone to consolidate a national network right now," says Joy Chen of Inchcape Shen-Hong, a logistics joint venture based in Shanghai. "But once the national network is up, roads will dominate China's transportation industry."

Many foreign carmakers are anticipating that day with relish. One company plastered Shanghai billboards with a model of their sedan and the declaration: "Our dream is to have everyone in China drive one of these."

Heaven forbid, says Liu Xiaoyi, the founder of a Chinese environmental NGO that crusades against the American "two cars per family" model in China. "It may work in the United States, but consider the environmental effects if 1.2 billion people drove cars," she fumes. Her motto: Don't drive, bike.

Coca-Cola has taken her advice literally. To beat traffic chaos and road restrictions in cities like Shanghai, Coke has hired armies of tricyclists to distribute their products to local vendors. "Whatever works, we use it," says Mr. Lo.

And there's (probably) little danger of tricycles being commandeered for emergency watermelon runs.

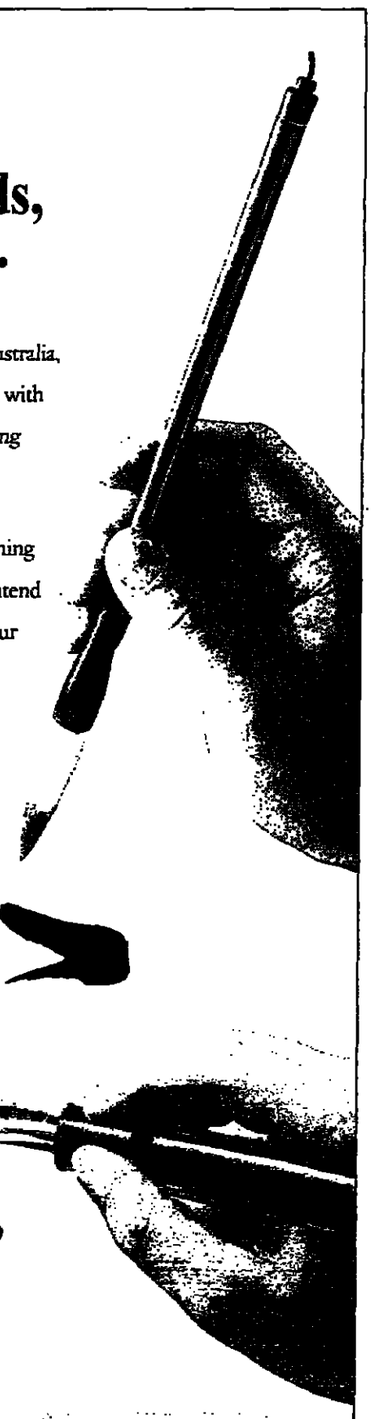
Yu Wong

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CHICKEN HEADS BETTER THAN OX TAILS

Continued from page I

tracts for private power plants were awarded to YTL. The Chinese-Malaysian company made its first step into power generation based on its record for completing government contracts ahead of schedule and within budget. Managing Director Francis Yeoh was key to his company's receiving the bids. He is straighforward about his company's success as a Chinese company in Malaysia. "I believe that the core of YTL is its value system, its belief in hard work, professionalism, demand for high quality and, above all, integrity," he is quoted as saying.

To the south of Malaysia, tiny Singapore stands as a monument to the efforts of ethnic Chinese. In recent years, the relationship of the island state to China has grown stronger, with Lee Kwan Yew taking the role of senior statesman in China and acting as spokesman for overseas Chinese. One of his prime arguments expounds Chinese values and their contribution to a successful and orderly society. Mr. Lee has also advised the Chinese government on issues of development and social order.

China has also taken cues from the culture of the diaspora, itself refined from Chinese culture. Last year, Communist Party Secretary General Jiang Zemin told citizens of Jhangjigan in southern China that their goal should be development like that of Singapore, and that they should strive to emulate it in appearance and thought.

As if emulation of Singapore were not enough, a group of Singapore companies have invested $2 billion in Zuzhou on the outskirts of Shanghai to create a community with the characteristics of the tiny island state. In effect, after building their success on the foundation of Chinese values, these companies have been refining those values through the years and are now returning them to the home country for use in China's own development efforts.

Chinese migration has deep roots, beginning in ancient times when Chinese in coastal areas moved into Southeast Asia. It was not until late in the last century that they moved to the farthest corners of the world. This trend accelerated after World War II, when ethnic Chinese spread out even further. The reasons were numerous, but usually based on social turmoil at home and economic migration.

One of the most marked reasons behind the success of this diaspora has been the constant need to overcome almost impossibly difficult impediments. Often, without a way to borrow capital to start businesses, ethnic Chinese families banded together into informal economic groups. Chinese families often started their own businesses because they could not find other work, and they financed these businesses with family money because they could find no other.

Many authors have pointed to the business networks as a prime factor in the success of the overseas ethnic Chinese. Besides supplying members with needed capital, their limits often served to contain resources and to promote synergistic relationships between businesses.

Author Joel Kotkin points to a colloquial Chinese saying as indicative of the drive to own their own businesses: "Better the head of a chicken than the tail of an ox."

Even after generations away from China, Chinese businesspeople have a reputation for philanthropic gifts to China. These donations are often directed at ancestral homes and make good economic sense. China's massive market and its relatively low labor costs make it an ideal location for expansion.

This is not lost on business executives from Hong Kong, Taiwan and Singapore, who are facing rising business costs and stagnating markets at home. As a result, networks that served as a foundation for success overseas may yet contribute to the success of China as it continues its drive to develop.

C.K.

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A Global Business With Local Root in China

ABB is one of the world's largest electrical engineering groups. Headquartered in Zurich, it comprises 1,000 companies, operating in 140 countries. Its 217.000 employees generated orders in 1995 of over USD 36 billion. The global company serves electric power generation, transmission and distribution, industrial and building systems, and rail transportation customers.

These entrepreneurial entities have the freedom and motivation to run their own businesses with a sense of personal responsibility and urgency. Our multi-domestic organization enables us to transfer know-how across borders easily. Yet in each country, ABB operations are local and flexible. This means we can respond swiftly and surely to market conditions in close partnership with our customers.

ABB China is represented in China, including Hong Kong, by Asea Brown Boveri (China) Investment Ltd., which employs 4,000 people with a headoffice in Beijing. ABB has established eight other offices in China, in cities including Shanghai, Guangzhou, Wuhan, Chongqing. Fuzhou, Shenyang, Qingdao and Hong Kong, while the number of its Joint Venture companies has increased to nearly 20.

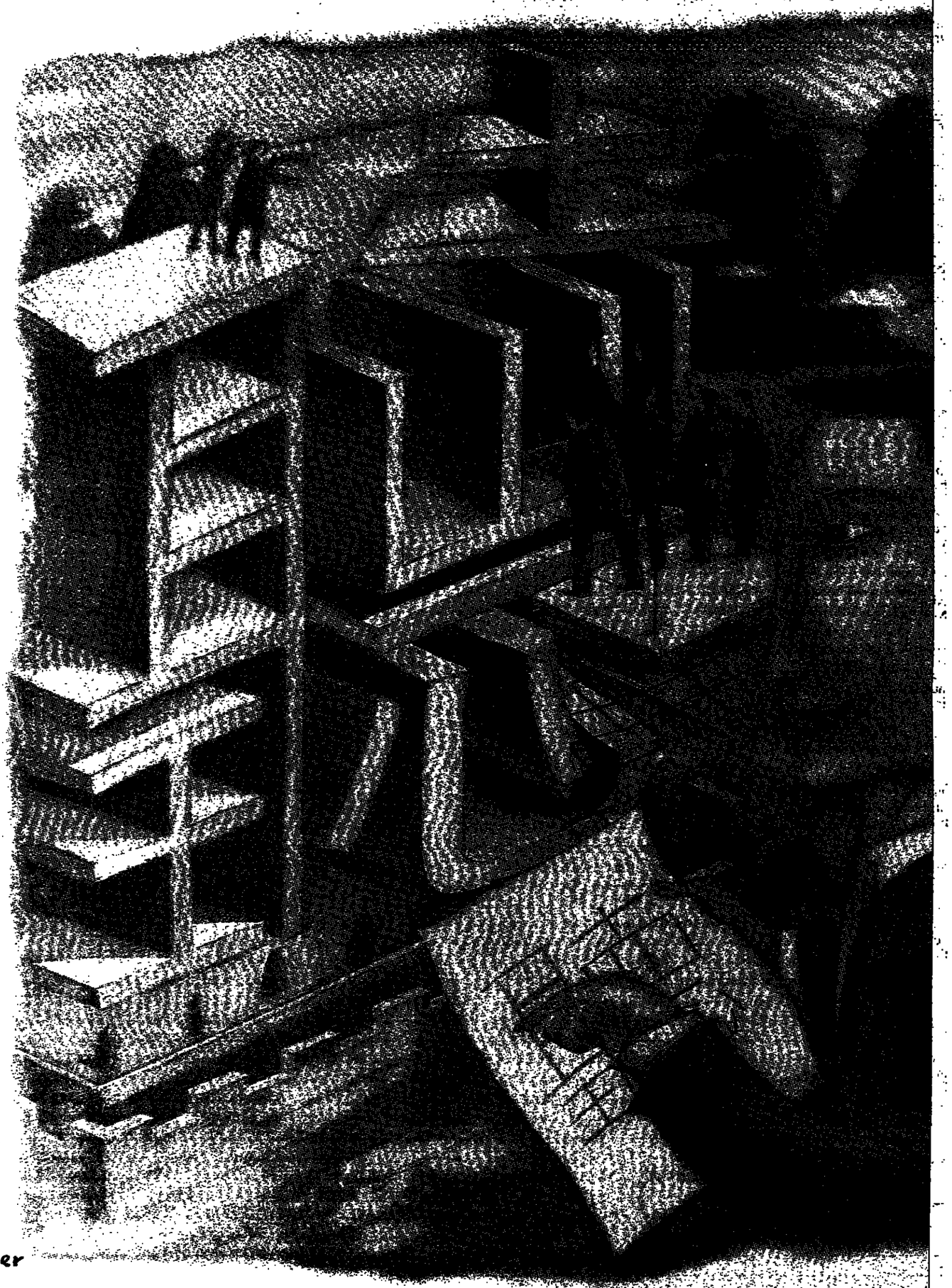
ABB's relationship with China can be traced back from the beginning of the century to 1907, when ABB supplied the first steam boiler to China. Since then, ABB has actively participated in China's infrastructure construction. To name a few, the major references include the first 2x600 MW supercritical turbine-generators, boilers and auxiliary equipment for Shidongkou No. 2 Power Plant, 500 KV gas-insulated Switchgear for Shajiao C Power Plant in Shenzhen, and converter station equipments for China's first 500 KV Direct-Current transmission scheme from Gezhouba to Shanghai.

Independently and through joint ventures, our goal in China is to localize our manufacturing, transfer clean and efficient technology, recruit the very best talent people from local universities, expand out existing work forces, and cooperate with the government to help increase exports and earn foreign capital. Our local team in China is now working hard to assist in the development of China's key economic sectors in the hope to build a better tomorrow for China and its people.

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DOING BUSINESS IN CHINA

No Guts, No Glory: Foreign Investors in China

In the first half of 1996, the value of foreign investments hit $19.8 billion.

Joint ventures are taking on a new face in China. First attracted by low wages and attractive incentives from local governments, joint ventures are now increasingly driven by the promise of rapid expansion of the vast Chinese market. Foreign investors are increasingly considering ventures to meet growing local demand rather than to produce goods for export.

For Prudential Asia, investment in China's largest and most successful refrigerator manufacturer Kelon Electrical Holding has been a feather in its cap. Prudential took a $38 million stake in the company several years ago and has watched it swim while others disappeared beneath the waves. According to Prudential's Monica Tsui, part of the joint venture's success has been its approach to marketing and technology. The company targets different products to different areas. While half of Kelon's sales are to urban households, it has begun selling refrigerators to more and more rural homes.

Prudential's investments are part of a massive inflow of foreign investment into China. In the first half of 1996, the value of foreign investment in China soared by 20 percent, to $19.8 billion. This is despite a 10.7 percent decrease in the number of foreign joint-venture projects, to 14,061, involving $45.6 billion in contractual foreign direct investment, according to Xinhua (the New China News Agency).

Less-developed regions

As China's coastal rim becomes home to a rising number of ventures and as incomes there rise, Beijing is making an effort to draw ventures into less-developed regions. The average investment size of each project has also increased, and it is expected that more investment will be channeled to the central and western regions of China.

In the past, most foreign investment has been poured into ventures along China's coastal crescent. The central government may not have to draw funds already committed to ventures in this region to support less-developed provinces, as the expansion of foreign investment is accelerating.

In 1995, 37,126 foreign direct investment projects were approved by the authorities, 21.8 percent less than in the previous year. But the value of these projects rose 10.9 percent, to $90.3 billion. The value of projects actually established climbed 11.5 percent, to $37.7 billion.

Infrastructure and technology-intensive ventures have increased in numbers. The first half of 1996 saw 55 foreign-invested projects, with total investment of more than $30 million each. The central government will continue to support this trend with its ninth Five-year Plan, which formalizes efforts to attract technology-intensive businesses to China.

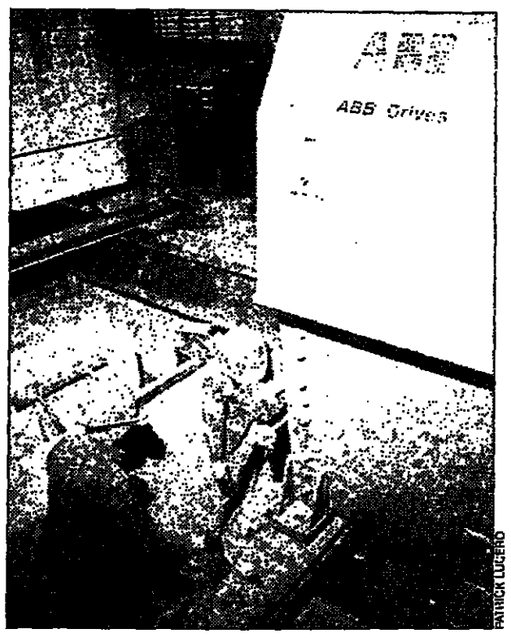
The Dutch company Philips Electronics has answered this call. It will pump $1.5 billion into Asia in the next five years, much of it destined for China. Besides televisions and shavers, Philips will produce cellular phones to meet rising demand, according to Philips Asia-Pacific President Frans Sluiter. The company has already invested heavily in the China-Singapore Suzhou Industrial Park, which aims to bring Singaporean business practices to China in an effort to improve China's ability to produce high-technology products. Mr. Sluiter expects China to become an enormous market for the company's consumer electronics products.

Tonichi Printing, Japan's largest newspaper printer, is considering ventures in China. The expertise it uses to produce 3.3 million newspapers each day will be the core of its efforts to develop technology tie-ups and other ventures in China. Tonichi aims to improve the standard of character printing by introducing these technologies.

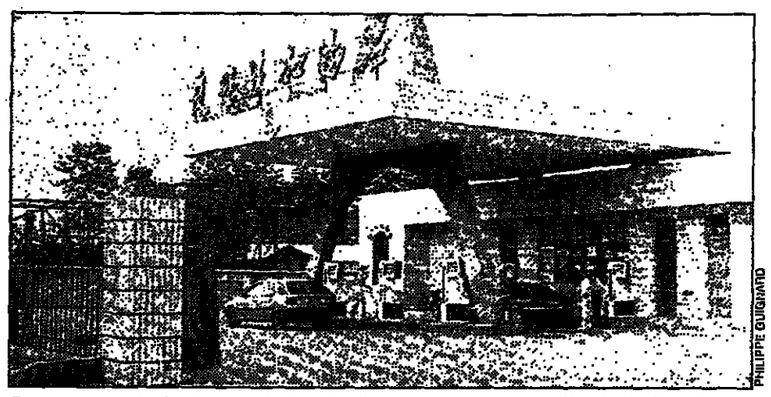
This enthusiasm about China's market potential is behind the continued growth of foreign investment, which hit record levels in the first half of 1996. By the end of the second quarter, Beijing had approved a total of 259,000 foreign investment projects, with total actual funding of nearly $140 billion. This represented 42 percent of total capital inflows into Asia. China has become the largest recipient of foreign capital among developing countries and the second-largest recipient after the United States all over the world. The major investors were Hong Kong, Taiwan, the United States and Japan.

Foreign investors are formulating strategies to adapt to changing market conditions. Power generation giant ABB, for instance, is increasing the size of its existing joint-venture plants in China to develop the scales of economy needed to compete in the market. ABB first established joint ventures in China to bring its manufacturing bases closer to what it saw as a strong market for equipment required for power infrastructure projects.

"Growth in this market is unlimited," says ABB China Vice President Paul T.P. Chan. "Financing this growth is the bottleneck." To remedy this situation, ABB chose to participate in the financing of projects where its equipment was being used. By carrying equity for the major projects on its books, in addition to facilitating debt financing, ABB has solved some of the problems associated with developing new power infrastructure, including generation, transmission and distribution.



PATRICK LUCERO


PHILIPPE GUIGUARD

From power plants (top) to car factories (above), foreign ventures are proliferating in the mainland.

While European giants such as ABB have traditionally been seen as major contributors of foreign direct investment to China, Asian investors have poured funds into small- and medium-sized ventures since China opened to foreign investment in 1979. Hong Kong remains a major funnel for funds, but Taiwan has also been a steady contributor.

Despite heightened political and military tensions between Taipei and Beijing, Taiwan continues to approve mainland investment projects. Taiwan government approvals of new investments in China rose 23 percent, to $909.6 million, in the first eight months of 1996.

Foreign ventures continue to play a strong role in China's export growth. Besides accounting for almost a third of exports, they have helped nurture in China the management skills and perception of opportunity needed for success in the export market. Foreign joint ventures exported more than $46.9 billion worth of goods in 1995 (up 35.2 percent from 1994), accounting for 31.5 percent of China's total exports. Imports by joint ventures were much larger than their exports; the former amounted to $62.9 billion (up 18.8 percent from 1994), which accounted for 47.6 percent of China's total imports in 1995.

Guangzhou, capital of South China's Guangdong Province, will cancel or cut miscellaneous charges imposed on overseas-funded businesses to improve its investment environment. These charges have led to complaints from overseas businesses and stemmed the inflow of overseas investment into the city.

China's central government intends to grant greater rights to inland areas in an attempt to increase the flow of overseas investment into the area. The State Council will expand the rights of inland areas so they can approve projects with investments of up to $30 million. By doing this, it hopes to spark the joint-venture fever that swept the southern provinces in the 1980s and early 1990s.

The State Planning Commission's decision is a move to further open up to the outside world; to promote the steady, fast and healthy development of the economy; and to narrow the gap between inland areas and coastal areas.

Equity joint ventures, wholly owned operations and contractual (or cooperative) joint ventures are the three principal vehicles for direct investment. Each of the three methods of investment is subject to new regulations adopted by the central government.

The unification of regulations concerning foreign investment has been mirrored at the local level. China's new investment star Shanghai has been considering regulations for foreign companies that are in line with the central government's rules. This will be a step toward reducing the impediments to investment posed by layers of contradictory rules and regulations. Despite this, Shanghai has attracted foreign investment on a massive scale. The city has raised more than $41 billion of overseas investment. More than $15 billion of these funds have been used.

C.K.

When to Close Your Eyes, Jump and Trust Your Luck

Professional-services companies are on the rise in the mainland.

The Trust Fall, as it is euphemistically known, is inflicted on clients of a management training company called I Will Not Complain. Standing on a platform 10 feet above the ground with their eyes closed, clients are told to fall backwards into the arms of relative strangers. Without a safety net, they are completely dependent on the capability and goodwill of those below. They fall, or jump, and trust their luck.

The founders of this venture would never let their clients do something they have not tried themselves. I Will Not Complain has been performing its own Trust Fall over the past couple of years. Like the other small foreign businesses that offer new professional services to a growing expatriate community, this stoic company has placed its faith not only in the capability of the market to receive its services, but also in the continuing goodwill of the Chinese government to allow its operation.

Tapping the expats

While China's market potential is usually associated with its 1.2 billion Chinese residents, there is also a minority of expatriates, imported along with multinational corporations, whose rising professional expectations constitute an expanding and lucrative market. From the trainer who orders Shell senior managers to rappel down the Great Wall in the name of corporate cohesion to the magazine editor who writes features on the newest microbrewery, enterprising expats are drawing on the market potential of their own community.

The edge that these enterprises have over their local competitors is a Western standard of service and product guarantees. The wild card in this game is the Chinese government. According to these entrepreneurs, the 1990s has brought greater regulation of foreign businesses in China, with the establishment of a standard registration process for representative offices that facilitates government control over business operations.

"The law is finally starting to catch up with growth," says Eric Hagt, manager of a translation service whose staff of eight spins out translations for American law firms as well as for Spanish art exhibitions. Citing the $1,500 fee that his business paid to its sponsor company upon registration with the government, he adds, "The government has known for years that foreigners have been setting up offices, and now it has realized it can make money off them."

Mr. Hagt doubts that the government would shoot itself in the foot by harassing businesses that facilitate the growth of the Chinese economy. Although translation is technically a sensitive information-related trade reserved solely for Chinese companies, Mr. Hagt theorizes that his company has been left alone by the authorities because it employs mainly Chinese nationals and makes money off other foreigners rather than draining the resources of China.

Others are not as optimistic. Charles Bingham, a former Wall Street trader who now runs a printing shop, compares the government to a "huge monster looming outside the door," which at any time can – and did – come crashing into his shop.

Tolerance test

Scott Savitt, one of the founders of a fresh-faced local arts and culture magazine called Beijing Scene, disagrees. He sees his magazine as the litmus test of government tolerance toward foreign enterprises. Since media, as one of the touchiest sectors in China, has never been opened to foreigners, the magazine has always technically been a consulting company. After almost two years of self-censorship and operation as a "glorified embassy newsletter," the magazine recently received approval from the government to be the first licensed foreign-owned business in the media industry.

"There has been talk in the papers about China's protectionist sentiment," says Mr. Savitt, "but that's standard domestic politics. There are people opening bookstores, foreigners investing millions in art galleries – the door is almost wide open."

The next jump for these complaint-free pioneers is into the waiting arms of the local Chinese. The trend toward localization within multinationals has already changed the face of the market for high-quality professional services. Mr. Savitt initially targeted his magazine at the expatriate community, but has since found that 40 percent of the magazine's 70,000 readers are wealthy young Chinese.

The clients of I Will Not Complain are large multinationals newly concerned by ineffective communication between expatriate and local staff. Karyn Robarts provides a more imaginative sort of business training to these same customers. The former cover girl reopened Imagination, a professional image consultancy, after observing the staff at hotels around Beijing. Ms. Robarts runs seminars for the mainly Chinese staff of hotels and joint-venture corporations, giving them tips on polish and etiquette.

Many foreign entrepreneurs are aware that the future of the market lies in doing direct business with Chinese clients rather than just servicing localized foreign corporations. This idea may not appeal to the Chinese government, which keeps an anxious watch on service businesses that stray outside the boundaries of the foreign community. But these small entrepreneurs are likely just to close their eyes, jump and trust their luck.

Ton-Ming Bay Fang

The China Summit

The China Summit, held in Beijing on Nov. 13-14, brings together more than 800 participants, including 300 of China's political and business elite, as well as international dignitaries such as Britain's former Prime Minister Margaret Thatcher; European Commission Vice President Sir Leon Brittan; South Korea's Deputy Prime Minister and Minister of Finance and Economy Dr. Han Seung-Soo; and Japan's former Prime Minister Toshiki Kaifu. Issues to be addressed include development plans for interior provinces, industrial reform policies, the progress of capital-market reform and greater liberalization of the state-owned enterprise system. Held annually since 1994, the China Summit is jointly organized by The International Herald Tribune (IHT) and China's State Commission for Restructuring the Economic Systems (SCRES). Premier Li Peng has called the event "one of the most significant international meetings ever held in China."

For more information, please call the IHT at (852) 2922-1107, or fax (852) 2922-1100.

Trade Concerns: What Will It Take To Be Accepted Into the Big League?

One of the world's top trading nations, China is pushing for membership in the WTO.

Like Asian dragons Japan and Taiwan, which have already faced rounds of trade disagreements caused by their rapidly expanding foreign trade, China is discovering that increasing its foreign trade creates trade tensions. These conflicts will largely set China's agenda during the first ministerial meeting of the World Trade Organization, which opens in Singapore in December.

The source of these disagreements is the result of the growth of China's trade from a trickle in 1979 to a staggering $281.1 billion in 1995. This makes China the world's 11th largest trading country, representing 3.7 percent of the world's total trade. Imports made up $132.1 billion of this, while exports accounted for $149.0 billion. This gave China a positive trade balance of $16.9 billion in 1995, up sharply from 1994's $5.3 billion. This rising trade balance has been viewed as a problem by its trading partners.

In the first quarter of 1996, China's top five trading partners were Japan (21.6 percent), the United States (14.2 percent), Hong Kong (13.4 percent), South Korea (6.9 percent), Taiwan (6.5 percent) and Germany (4.7 percent). Much of the trade bound for Hong Kong is transshipped to further destinations, including the United States and Europe. China's exports to most markets declined in the first six months of 1996, except to Japan, South Korea, Singapore and Russia.

U.S. criticism

As China's second-largest trading partner, the United States has led members of the WTO in criticizing China's trade practices. WTO members have insisted that China join the trade body as a full member, requiring it to fully open its markets within the period required of other full members. China has argued that it should be allowed to join as a developing country, which would allow it concessions in opening its markets to foreign competition.

Wu Yi, minister of foreign trade and economic cooperation, has said that China has not yet formulated any concrete timetable for entry into the WTO. He said that China's admittance would be only in the capacity of a developing country, which must adhere to the undertakings, obligations and entitlements laid down at the Uruguay Summit – in which China acted as a signatory.

Three other issues cloud China's entry. Members want China to liberalize several sectors that the country wishes to protect. The second issue involves the pace China will adopt for market reforms to comply with WTO rules. The final major point of contention involves the pace of bilateral market-access negotiations with WTO member countries. Other issues that WTO members will take up with China include investment regulations, labor standards and the measures China will take to deal with its corruption problem.

In addition to its efforts to join the world trade body, China faces other trade disputes with the United States, including a debate over intellectual property rights and the contentious annual battle to renew its most-favored-nation status.

China and the United States reached an agreement in June over intellectual property rights, which averted a trade war that could have hit $2 billion in exports to the United States. Less than two weeks later, the U.S. administration extended China's MFN status for another year.

Market reform a priority

China has made market reform a priority of its ninth Five-year Plan (1996-2000). China pledged to progressively open markets and establish a foreign-trade system that conforms to international rules and practices. The plan sets out efforts to develop an import and export mechanism for foreign exchange, tariffs, taxation and credit systems based on common international practices.

These market reforms will be essential in maintaining trade growth. In the first half of 1996, China's exports declined due to cuts in its VAT rebate program, falling to $60.2 billion, 13.8 percent less than in the same period the previous year. This follows 23.1 percent growth in 1995. Changes in the VAT program compounded pressure due to high inflation and a tight credit policy aimed at slowing the overheating economy. During the same period, imports expanded marginally.


WILL BURGESS/REUTERS

Inspecting the goods at China's largest computer and networking exposition: At the moment, Chinese PC manufacturers have only a 50 percent share of the local market.

Encouraging high-tech imports

The central government intends to change the composition of its exports. By accelerating imports of technology, it plans to shift its exports increasingly away from low-value textiles to high-value machinery and electronics. In the first half of 1996, exports of machinery and electronic products grew 6 percent, to $20.5 billion, and accounted for 32 percent of total exports. China's exports primarily consist of machinery and electronics, garments, textiles, footwear and toys.

Beijing has also set forth its policy of encouraging imports of new technologies. Tariffs for high technology and new technology products will be held to below 10 percent. The composition of its imports will also be shifted away from finished goods to raw materials that can be processed in the country.

In a round of import-tariff reductions this spring, Beijing said it would encourage importation of raw materials and protect its nascent industries. Raw plastic, for instance, received a 44 percent cut in tariffs, while plastic product tariffs were cut by only 30 percent.

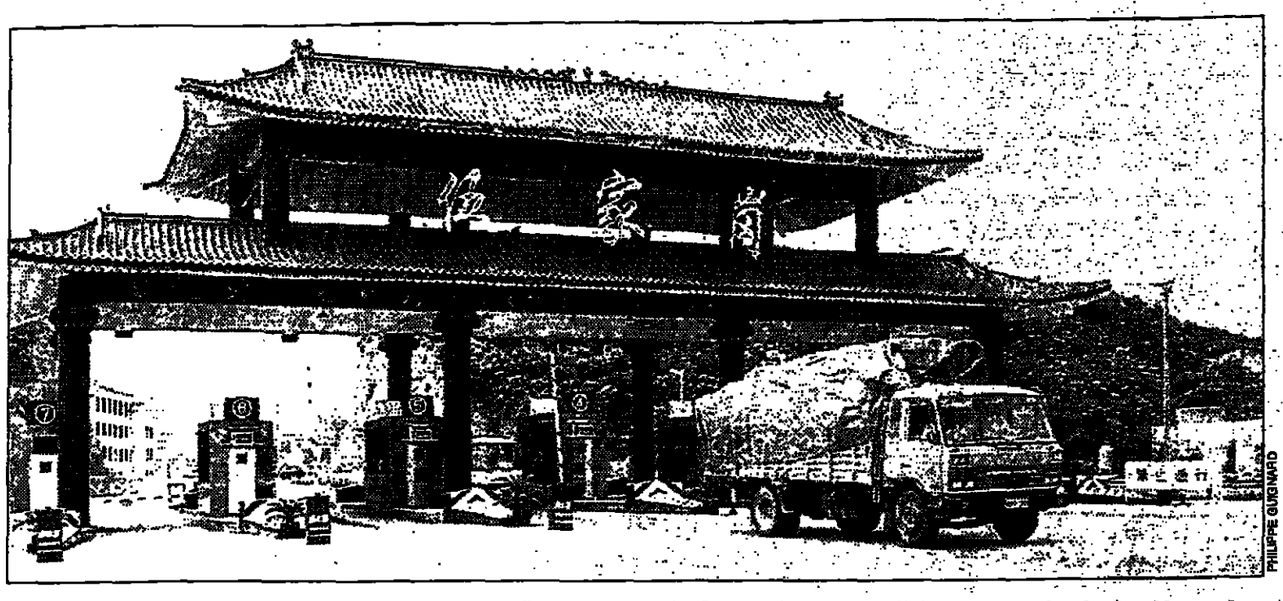
Together, these efforts are aimed at improving the quality of China's foreign trade. As in most of Asia's developing economies, exports of raw materials and then garments and textiles make up the first step. This is followed by increasing exports of higher-value goods. To continue rising on these stairs, however, China will have a number of difficulties to overcome.

C.K.

DOING BUSINESS IN CHINA

BUILDERS, BACKERS NEEDED FOR ROADS, RAILS AND POWER

China plans massive infrastructure projects.


PHILIPPE GUIGNARD

From highways to railways and power plants, infrastructure development is a key ingredient of China's latest Five-year Plan. To this end, the central government is issuing new guidelines and regulations to facilitate foreign participation in these ventures.

A new toll road, built by Hong Kong's Hopewell Holdings, has cut driving time between Hong Kong and Guangzhou to less than three hours from the six hours or more it took before the road was opened. Completed by thousands of workers, many of them wielding shovels and moving earth in baskets, the concrete roadway has settled in places, making for a sometimes rough ride.

Rough or not, the demand for roads in China is immense. Measured in kilometers or road per person, China ranks behind India, Argentina and the Soviet Union, and this has increased little in past decades. At the same time, traffic has risen by an estimated 250-fold. While the central government is planning to build four main trunk highways in the next five years, private investors will build many of China's new roads. Companies such as Cheung Kong Infrastructure, New World Infrastructure and Hopewell Holdings will channel billions of dollars of foreign investment into China's infrastructure.

Hotbeds of activity

Railroads may also become hotbeds of investing activity. Railways are the critical link between manufacturers and domestic markets and between coal fields and the power plants they feed, but they are only projected to grow 3.5 percent in the coming decade. Yet existing lines need substantial upgrades. China has already begun raising freight tariffs, in an effort to attract investment.

While the country lacks roads and rails, much of China's development is located in coastal provinces, which are served by ports. Beijing has been reluctant to allow foreign participation in port development or to grant shipping rights, but the bottleneck created by substandard facilities is pressuring the government to consider accepting foreign investment.

These massive infrastructure projects will draw steel like a magnet from China's Asian neighbors. Pohang Iron and Steel, Korea's largest steelmaker, will be a major beneficiary of this expansion.

Pohang Iron and Steel has eight joint ventures in China, worth $1 billion; these include its recently acquired 40 percent share in the $53 million Pujin Steel Plate Co. in the Dalian Economic and Technical Developing Region. Pohang intends to have more than 20 joint ventures by the end of the century.

China's power industry is arguably its most important infrastructure consideration right now. Peregrine Securities, a Hong Kong investment bank, estimates that by the year 2000, China's electricity shortfall will be about 11 percent of total demand, despite aggressive development plans. Peregrine also notes that China will require $83 billion in investment during this period.

Peregrine has itself played a substantial role in developing infrastructure in China. Set up in 1988 with $38 million in capital, it has become one of the most influential banks in Hong Kong and China, and it is leading development of a debt market in Asia to support infrastructure funding needs.

The awarding of contracts for the 700 megawatt Laibing Power Plant B in Guangxi province will set the standard for future power-plant deals in China. ABB (China) Co. Ltd is one of the companies vying for equipment contracts at China's first BOT (build-operate-transfer) power project. Since ABB's first joint venture was established in 1985 in Shanghai, the company has set up about 20 joint ventures or solely owned ventures in the country.

ABB is also bidding for the first batch of power generating sets at the Three Gorges project, which is the world's largest water-control project. This complex project, which will cost an estimated $10.5 billion, has been in the design and construction stages for almost five decades.

Financing projects

The huge amounts of capital required by projects such as Three Gorges raises questions about how infrastructure development will be financed. Analysts estimate that as much as $700 billion will be required to fund China's infrastructure needs in the coming 10 years. Multilateral agencies such as the World Bank and the Asian Development Bank cannot entirely meet this need for capital, although loans from these groups are often the essential foundation layer in financing packages.

Much of the funding, though, must eventually come from China's impressive savings. To access these funds, widespread reform of its domestic capital markets is a necessary first step. This will take time. In the interim, China's massive infrastructural funding needs will be fed by foreign investment. Foreign investors, whether funding ventures directly or through portfolio investment, will require assurances, however. The future of foreign equity participation in China's power industry will hinge on whether foreign banks will accept non-binding guarantees from provincial governments.

Investors will also be faced with central government attempts to limit returns on power projects and other infrastructural investments. This may be offset by increasing transparency, establishing a trade-off between quality of earnings and return on investment.

The Electric Power Law, which went into effect last spring, is an attempt to provide foreign investors with assurances. It sets out principles and rules on issues such as investor rights, pricing, environmental protection and penalties.

At the macro level, the law codifies the principles governing power-project investment. The industry is required to use foreign funds in an active, efficient way.

This means utilizing indirect investment such as loans from the World Bank, the Asian Development Bank and other international financial institutions, and direct investment such as BOT agreements and wholly foreign-funded power plants. New projects utilizing foreign funds must also comply with China's industrial policy and the ninth Five-year Plan.

The rules limit foreign equity investment to coal, hydro and nuclear-power generating projects; grid construction may not utilize overseas equity participation but may accept foreign loans.

To ensure an element of fairness, all projects are required to show that all participants share the risks as well as the rewards of new projects. The environment will be protected by improving the energy mix to include more hydro projects, additional nuclear-power stations and by seeking new energy sources.

C.K.

CHINA AND THE WORLD

The 1996 China Summit, November 13 & 14, Beijing

"One of the most significant international meetings ever held in China" - Premier Li Peng

The third successive China Summit is a two day business to government interactive forum focusing on China's economic development and opportunities for trade and investment in China.

This year's Summit will bring together more than 800 participants, including the principal architects of China's economic reform and over 300 of China's most senior government officials and business leaders. Participants will have the opportunity to develop relationships and critical understanding with the individuals who impact most on their business interests in China.

THE CHINA SUMMIT
1996
中国
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FROM MTV TO BUSTY BABES, JOYS OF CHANNEL SURFING

Television whets the appetites of advertisers – and the fears of regulators.

Early this year, morning television addicts in Fujian province were greeted with a gong and a chant. The Yongquan monastery in Fuzhou paid $30,000 just to say good morning to viewers for a week. "Our abbot felt that letting people know a monastery can do this was worth the investment," says a monk. Yongquan attracts hundreds of visitors daily and thousands in daily donations.

According to the Ministry of Radio, Film and Television (MRFT), television now reaches 83.4 percent of China's population. For advertisers, that translates into nearly 1 billion potential viewers – and consumers. Both domestic and foreign companies vie for prime time, while TV stations scramble to provide quality shows to attract high ratings and revenue. Yet the central government is increasingly anxious to regulate a chaotic industry and regain control over its most powerful propaganda tool.

World's cheapest air time

Ten years ago, programming consisted of government-sponsored variety shows, old black and white propaganda movies and the occasional Hong Kong action melodrama. These days, channel surfing brings up MTV, home-shopping infomercials and busty babes on Bay Watch. A five-second spot on prime time CCTV (Central China Television), China's only national TV station, can cost hundreds of thousands of dollars.

"It's still the cheapest air time in the world, considering the size of the audience," says James Greet, executive media director of Saatchi & Saatchi China. Total revenue from TV advertising was $1.5 billion in 1995, and it is expected to treble in the next three years. Mr. Greet estimates that media-spending costs in China will ride 30 percent above inflation yearly. "By 1998, China will rank fifth in the world, behind countries like Japan and the United States, in terms of media spending," he says.

That is fine if you're getting your money's worth. The trouble is, up till now, China did not have a national ratings system that advertisers could depend on. "There were hundreds of small local ratings companies, none of which was up to international standards," says Richard Mecchi, managing director of the French ratings company Sofres Media. Mr. Greet agrees. "Basically, there was no one currency," he says. "Advertisers were shooting in the dark and trying not to spend too much."

Who watches what

Sofres plans to change all that with its new TV ratings joint venture with CCTV's Central Viewers Survey and Consulting Center (CVSC). The new CSM (CVSC-Sofres-Media) has set up 52 viewer panels of 11,700 households throughout the country, active year round. "Advertisers will be able to target a particular 5,000 foreign beer-drinking audience in Beijing, or the 10,000 housewife population in Shanghai," says Mr. Mecchi.

The new ratings should also shake up China's television programming industry. With more than 2,000 licensed commercial and cable stations nationwide, "there's a chronic shortage of good programs," says William Brent, a China entertainment consultant based in Beijing. "You can count on one hand the number of good production units trying to put together thousands of hours of quality time every week." But once CSM pinpoints who is watching what and why, the industry will be in for a much-needed consolidation.

The Chinese government will also be very interested to learn who is watching what in China. With President Jiang Zemin launching his "Spiritual Civilization" campaign to combat the social evils of economic reform, television has become a major target of censors at the Ministry of Propaganda.

"Television is the second-to-last thing the Chinese government will relinquish control over – the last being the army"

Revenue vs. ideology

"Everyone is nervous these days," says Feng Xiaogang, one of China's most successful soap-opera directors. Mr. Feng directed wildly popular soaps like "A Beijinger in New York" and China's first sitcom, "I Love My Family." Despite his record, many of his recent projects have either been shelved or axed because of content. Mr. Feng's favorite themes, such as extramarital relationships, corruption and urban violence laced with acid humor, were deemed too sensitive for public consumption.

"Beijing is torn between revenue and ideology," says Mr. Brent. For now, ideology is winning the war.

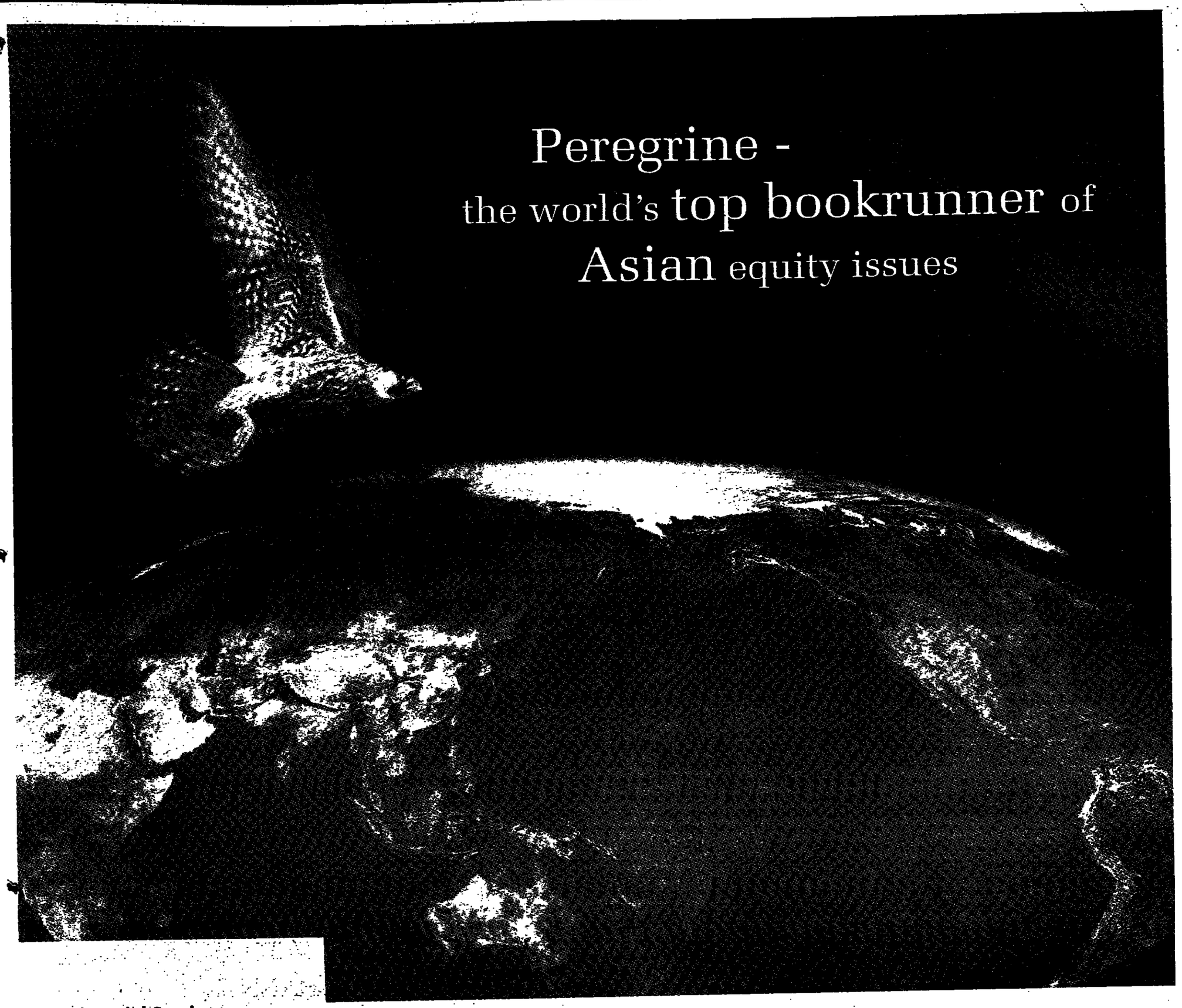
That, says Mr. Greet, could be disastrous for everyone. With all the other options available to the Chinese consumer these days, bad programming will just result in fewer viewers – and less revenue, he predicts.

Yet Mr. Greet adds, "Television is the second-to-last thing the Chinese government will relinquish control over – the last being the army."

Yu Wong

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DOING BUSINESS IN CHINA

LURING FARMERS BACK TO THE LAND

Beijing acts to halt the decline of agriculture.

Only 20 years ago, peasants were considered the most revolutionary class in socialist China. Tens of thousands of intellectuals from cities were sent to the countryside to plant rice and wheat and to receive "re-education" from farm hands. Today, however, the traffic is going the opposite way. Leader Deng Xiaoping's theory of "getting rich is glorious" dominates people's lives, and peasants – especially those of the younger generation – are moving to cities, where mending a few pairs of shoes can bring in more cash than laboring in the fields for a week. Farmers with a few dollars to spare would rather invest in a property development than plant cotton, rice, wheat or corn to sell at the ridiculously low prices set by the state.

The decline of agriculture is causing grave concerns. China has the largest population in the world – 1.25 billion – and they all need to eat. The economic reforms that started in 1979 have created a rich class in the cities, while backward farms struggle to meet the demands of the growing population. Each harvest has fallen increasingly short of demand, which has led to predictions of mass starvation in a few years' time. After years of being a net exporter, China shifted last year to being a net importer of 16 million tons of grain, while food shortages have led to nationwide inflation.

This made the Beijing leaders panic, fearing they would become dependent on Western countries for food. All of a sudden, agriculture, the long-neglected stepchild of the economy, became a top priority. A five-year plan was drawn up to invest $80 billion to replace the water buffalo with modern technology so that farm incomes could be raised and the flight of peasants to the cities stemmed. Recently, the state announced a plan to allocate at least 10 percent of the state's credit quotas to the agriculture sector each year.

But theories and gestures do not necessarily work in practice. The farmers in the center of the country do not jump to attention when Beijing snaps its central-control fingers. Furthermore, the middlemen have their own agendas. As a result, the agricultural financial sector is in chaos, especially in the non-banking areas, such as trustee companies, and finance and securities firms. There have been cases reported of farmers using agricultural loans for speculation in securities, fertilizer, agricultural farming products and building materials. In addition, interest rates in the trustee companies are out of the central bank's control. They offer interest rates higher than those of the state to lure deposits and often go bankrupt after failing to repay the money to farmers.

Not enough arable land

Even if the migration to the cities is stopped, there is not enough land to work on. According to the State Land Administration, arable land – which makes up 14.1 per cent of the country's total land area – has declined at an annual rate of 410,000 hectares in recent years. Per-capita arable land is only 0.11 hectares, less than half the world average. In recent years, many provinces turned large chunks of rice fields into golf courses and high-rise buildings for quick money. In Guangdong, just north of Hong Kong, even tiny villages were trying to bulldoze their rice fields and build entertainment complexes.



PHILIPPE GUIGNARD

An endangered breed: As farmers abandon the fields to seek their fortune in the city, Beijing acts to prop up agriculture.

Halting the rapid loss of agricultural land to construction projects is an urgent task. Last year, the central government launched a major crackdown on misuse of cultivated land, which has had some effect. According to the New China News Agency, in the first half of 1996, construction projects claimed more than 21,800 hectares of cultivated land, a 2.6 percent drop from the same period last year. By opening up wasteland or reclaiming idle land, the state aims to increase its arable land by 6.7 million hectares by the year 2010.

The backwardness in the countryside makes the problem worse. While the Western world is using computerized farming systems, Chinese peasants are still planting seeds by hand and cutting crops with sickles, while "iron cows" – a Chinese expression for tractors – remain an advanced machine in most areas.

Rapid modernization cannot be achieved without massive amounts of capital, and direct foreign investment is part of the solution. For the first time in the history of the People's Republic, the country is weakening state monopolies to allow foreign companies to raise livestock, grow crops and produce wholesale food in China. According to the Ministry of Agriculture, 1,062 projects in 1994 used direct foreign investment, which totaled $981.5 million. China hopes to attract $7 billion in foreign investment to develop agriculture over the next five years; to this end, it is opening its domestic market further and improving the investment and trade environment.

Angelica Cheung

OF STOCKS, BONDS AND HOUSECLEANING

Reform of China's two stock markets began almost from the day they opened their doors.

Reform of the Shanghai and Shenzhen bourses has been complicated by the difference between existing regulations and common practice, and driven by the need to bring disclosure practices of Chinese companies in line with international standards.

China's markets are on the verge of large-scale expansion. Peregrine Securities of Hong Kong estimates that by the year 2000, portfolio investment in shares, bonds and other instruments issued by Chinese companies will reach $133 billion.

The Shanghai stock market opened with full government approval in late 1990. A few months later, the Shenzhen market opened in the boom town adjacent to Hong Kong. The first set of preliminary rules were issued later the same year.

Shanghai is the larger of the two markets. It trades about 200 treasury bonds, stocks and funds. In all, it has about 600 members and representative branches in 300 mainland cities. The stock market in Shenzhen trades about 100 issues.

The markets trade two main types of shares. "A" shares are limited to investment by mainland Chinese, while "B" shares are aimed at overseas investors. While the distinction is clear in theory, it has been less so in reality. Mainland investors have long traded in "B" shares, although recently the Beijing-based China Securities Regulatory Commission (CSRC) has indicated it will strictly enforce regulations restricting mainland investors from buying "B" shares. By some estimates, half of all "B" share trades are currently executed for mainland investors.

Matters of concern

Disclosure remains another primary area of concern. This year, the CSRC issued detailed rules governing disclosure, aimed at bringing Chinese business practices into line with international standards. The Regulations on Domestically Listed Foreign Capital Shares of Companies were introduced by the CSRC in May 1996.

The rules try to tackle this problem by stipulating, for example, that "B" share companies must ensure that the foreign-language versions of their documents are correct. Companies must also disclose the same information simultaneously to domestic and foreign investors, and they must have certain financial statements audited. Statements must be prepared under international accounting rules or in formats that have been adjusted to comply with local rules, and they must clearly explain any significant discrepancies between financial statements that have been prepared under different standards and formats.

Issuance of these rules was followed by the announcement of a set of rules governing the underwriting of domestic shares. In June 1996, the Securities Commission of the State Council issued rules that require underwriters to meet specified financial criteria. The rules do not apply to foreign-exchange stock issues, such as "B" shares, issued later this year.

Even as the distinctions between "A" shares and "B" shares become blurred in practice, most brokers believe that bringing the two classes of shares together will be a major step in reforming the markets and stimulating activity. Already, many mainland Chinese investors shun "A" shares in favor of the more liquid "B" shares.

Investors' reactions

In June, Shenzhen's "B" share market leapt to an all-time high when investors poured into the market after the People's Bank of China announced it would ease exchange controls on the renminbi. A local paper later warned investors that this would not apply to stock transactions, cooling the overheated market.

In June, the Shenzhen exchange also banned domestic investors from opening new "B" share accounts. This sent share prices tumbling and reignited concerns that the Shenzhen "B" share market cannot compete with the "H" share market. "H" shares are a class of China shares trading in Hong Kong.



PATRICK LUCERO

Being there: Shenzhen traders.

Beijing has sought to protect itself from these speculative stock-price swings. China's central bank has ordered all branches and offices of state banks that trade stocks to be closed, merged or acquired by non-bank brokerages by the end of 1996. The move is part of Beijing's efforts to prevent state assets from being lost in stock transactions and to improve regulation of the stock markets.

The treasury bond market is another facet of China's capital markets. Debt markets are taking a larger role in China's capital-raising efforts. In 1981, China issued $590 million worth of bonds. By 1995, this had grown to almost $18 billion. It is estimated that this will rise to more than $23 billion in 1996. The bonds are liquid. About $18 billion of these bonds have found their way into the secondary market, supporting development of specialized investment funds.

The Chinese are becoming more interested in treasury bonds that have higher yields than bank deposits but are safer than stocks. After bank deposits, treasury bonds have become the second most important investment vehicle for Chinese individuals. With the frequency of bond issuance increasing, variety increasing and issue period shortening, inexperienced individual investors find they often miss the best investment opportunities.

China's equity and debt markets provide a growing pool of funds to support economic development. China, though, must continue to tighten regulation of these markets to promote participation by foreign investors and to safeguard the investments of Chinese citizens. Efforts to bring accounting practices into line with international standards are an important step in this process, as are efforts to unify its share structure. This process will be spurred by plans to make the renminbi convertible.

C.K.

SLOWLY BUT SURELY, DOORS OPEN

Foreign banks are already playing a central role in gradual moves to make the yuan fully convertible. This position was cemented when China's central bank announced that foreign banks could conduct limited yuan business in Shanghai. The move effectively brings the national currency one step closer to full convertibility.

Foreign banks received approval to conduct business in the settlement, purchase and sale of foreign exchange earlier this year. This brings to six the number of transaction types that do not require the approval of the State Administration for Exchange Controls (SAEC). To bring their procedures into line with these new responsibilities, banks were required to keep proper records and raise their internal monitoring procedures.

Pudong, Shanghai's new business district, is attracting a large number of foreign-owned banks. In August, TM International became the first foreign bank to set up its headquarters in China. The new bank, partly owned by the Chia-Tai group of Thailand, was the second foreign bank established in Pudong.

The new rules for yuan convertibility mark new opportunities for banks such as TM and underscore the diminished role for the SAEC and a much larger role for foreign banks operating branches in China. The move effectively made these foreign banks regulators of foreign currency transactions.

The Shanghai plan was the first concrete interpretation of the central bank's plan for limited convertibility. According to the China News Service, 25 of the 140 foreign banks with branch status have applied for the license that the central bank requires. Before foreign banks can begin making yuan transactions, however, central bank officials say they intend to bring income tax rates among Chinese and foreign banks into line. Presently, Chinese state banks have an income tax rate of 55 percent; shareholder banks have a 33 percent rate, and foreign banks pay 15 percent. The central bank is considering either stabilizing the rate for all banks, likely at a rate of 33 percent, or requiring foreign banks to pay different rates for yuan business and foreign currency business.

China's reform of its banking industry has accelerated in the past year. The first foreign institution to establish a representative office was the Export-Import Bank of Japan, which opened in 1979. It was only last year, however, that the Bank of Tokyo opened its first foreign bank branch in Beijing. Now four other overseas banks have branches in the capital. These are Hong Kong and Shanghai Banking Corp., Citibank, First National Bank of Chicago and Korea Foreign Exchange Bank. The capital is also home to 213 representative offices of foreign banks.

C.K.

1.25 BILLION POTENTIAL CUSTOMERS

Continued from page I

The status of foreign-funded ventures will gradually be brought under the control of the central government as it extends "national treatment." This means that special tax treatment granted by municipalities and regional governments will gradually be phased out. But Beijing will continue to offer preferential treatment to companies in selected sectors to attract investment that supports its plans. This special treatment will likely extend to companies with substantial domestic sales and those in tertiary industries such as wholesale/retail businesses, the legal and accounting professions, and financial industries such as banking and insurance.

The market may well be ready for expansion of these industries. In a survey of 50 cities sponsored by AXA-National Mutual and conducted by Gallup, pollsters found that China's urban population is becoming increasingly interested in financial services such as insurance. The survey focused on life insurance, a market largely untapped in China. The study found that while most urban residents knew little about life insurance, their incomes and perceptions of their futures had already sparked an interest.

Cigna Corp. inaugurated its representative office in Shanghai earlier this year in a move to tap this growing market. The representative office is a step toward receiving a full license as Chinese officials open the market to foreign participation. The company expects to receive a license to sell insurance in time for the celebration of its 100th year in China, according to B. Kingsley Schubert, senior vice president of Cigna Insurance Co. Asia-Pacific. It will invest $50 million in its China life-insurance business.

Banking and investment services are also set to grow. Banking and capital market deregulation is attracting more market participants. At the end of 1995, 120 branches of overseas banks, four solely owned overseas-invested banks, five joint-venture banks and five overseas-invested financial companies had offices in China. Overseas banks are expanding their businesses in China, helping the country tap its 33 percent savings rate and providing customers with competitive investment opportunities.

China's central government will attempt to channel much of these resources into infrastructure projects over the next five years. This includes energy, raw materials, transport and telecommunications. The government is expected to liberalize price controls in key infrastructure sectors to attract foreign investment. It will also establish policies to attract technology to build infrastructure.

The planning commission will seek foreign financing for major infrastructure projects such as the Three Gorges Dam project, an express railway between Shanghai and Beijing and 14 ports in coastal cities. China also intends to lay 210,000 kilometers (130,000 miles) of fiber optic cable and raise its electricity output by 56 percent, to 1.4 billion MWh, in the next five years.

China also intends to draw foreign investment into several pillar manufacturing sectors. The strategy here is to utilize its limited capital resources to focus on the automobile, petrochemical, electronics, machinery and construction sectors. The central government aims to make these sectors competitive on a global scale. It intends to help accomplish this by encouraging large companies in these sectors to accept foreign capital and to adopt foreign technology.

Each of these industries will in turn support other industries, either upstream or downstream. It is these linkages that will carry success in these industries into the wider economy.

Through these varied efforts, China intends to broaden the strong economic gains it has made in the past decades.

Christopher Kuffel



From the 13th to the 15th of November, the most dynamic business meeting in China will be held in Beijing. The China Summit.

The whole objective is to foster dialogue, at the highest level, between leaders of the Chinese Government and decision-makers from the global business community. One of them being YTL Corporation Berhad, a Malaysian-based integrated infrastructure development company.

Other than sponsoring the Summit, the YTL Group is building two power plants in China's Jiangxi province, in collaboration with the Chinese Government. A step that will help bring Asia closer to fulfilling consumer demand for a further 300 GW of electricity by the year 2000.

The YTL Group has been a leader in the rapid development of Malaysia's infrastructure since 1955.

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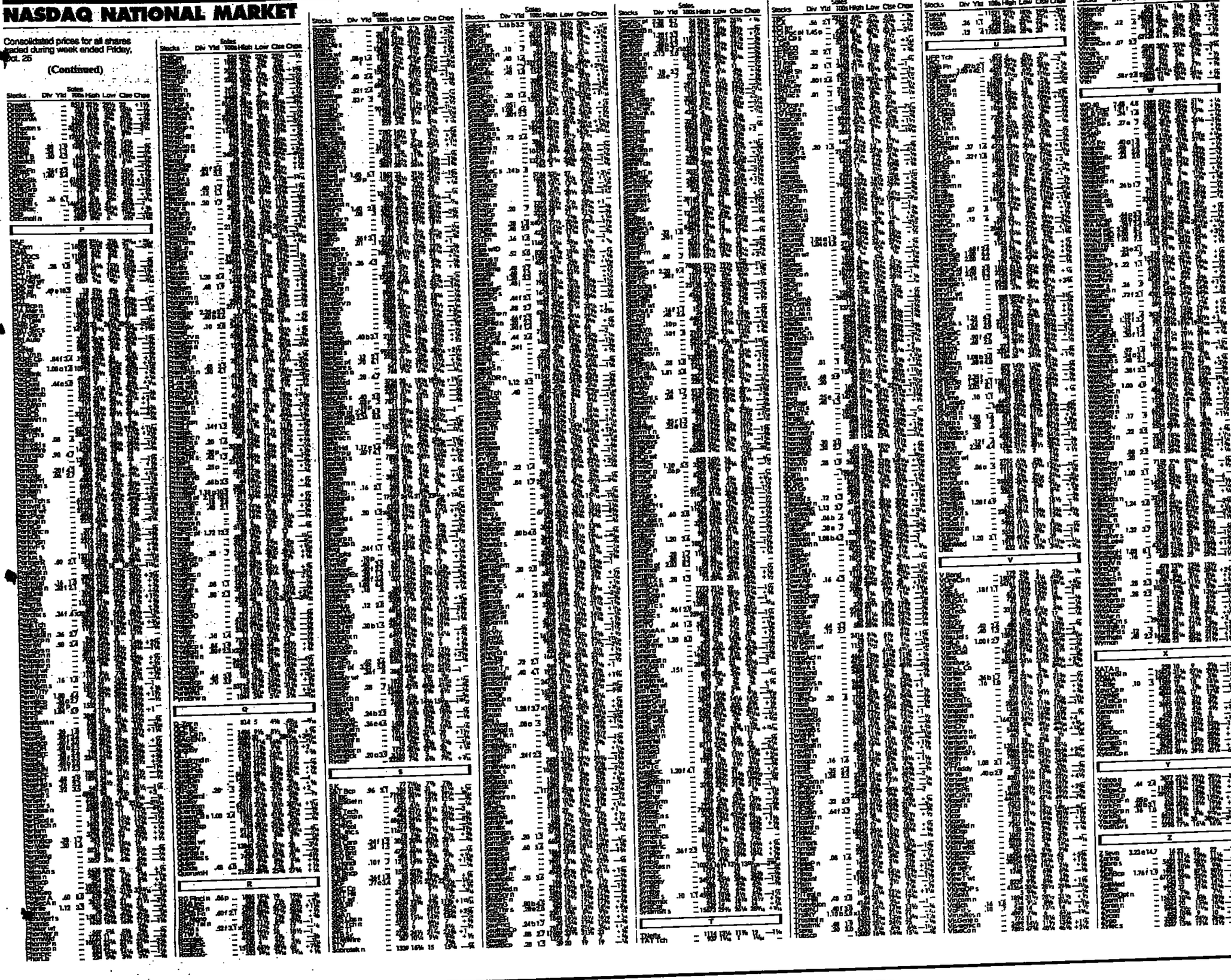
YTL Corporation Berhad, 55 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia. Fax: 603-2412703

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NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, Oct. 25

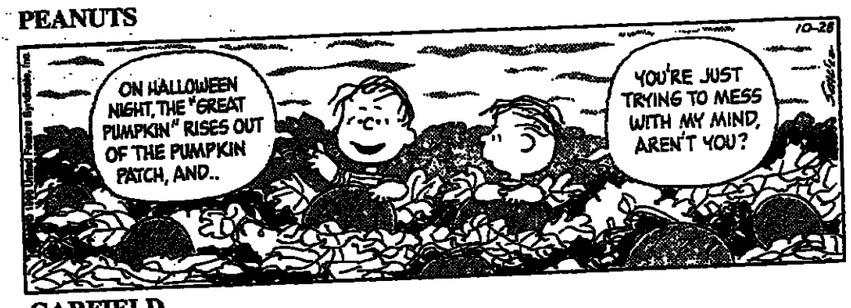
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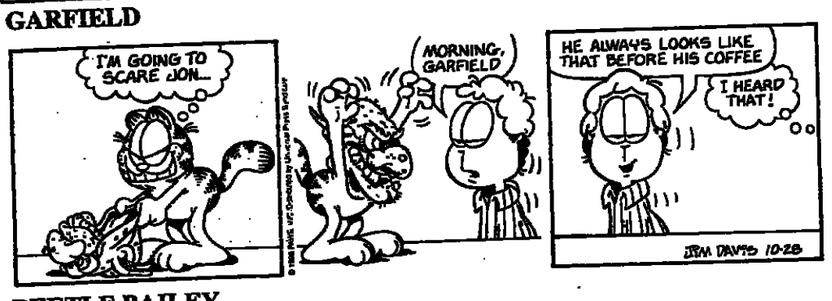
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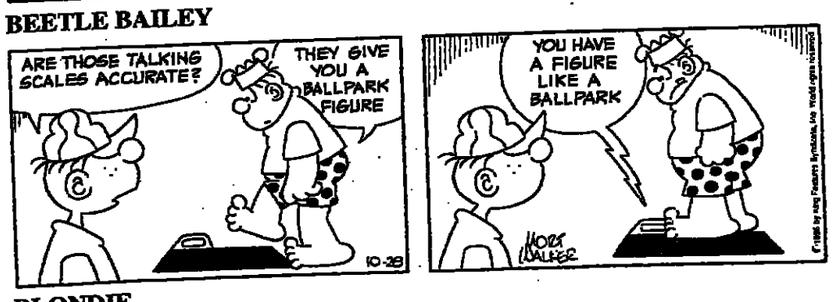
PEANUTS



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BEETLE BAILEY



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JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

KICCH

KYWAG

RUFLYR

CLORLS



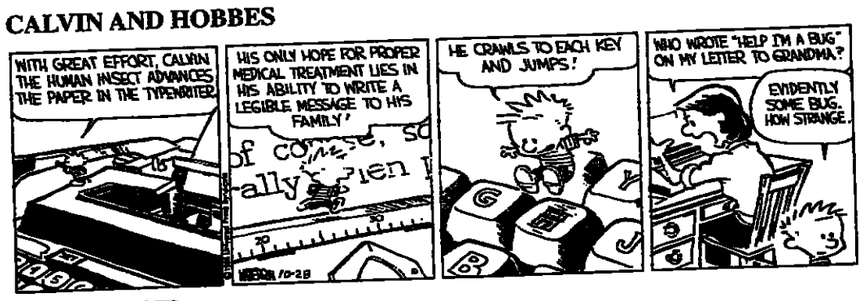
Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: (Answers tomorrow)

Yesterday's Jumbles: LISLE EVENT FERRET LIZARD
Answer: Ernie wasn't he relaxed the guitarist did this— HE FRETTED

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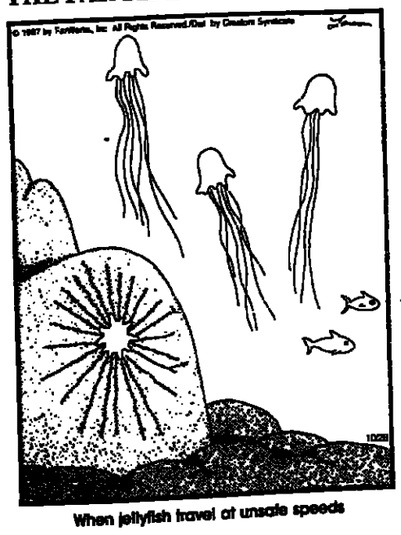
CALVIN AND HOBBES



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THE FAR SIDE



When jellyfish travel at unsafe speeds

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Fowler Strikes For Rising Reds

Inter Moves Up To First Place After Juventus Slips in Rome

Compiled by Our Staff From Dispatches

The England striker Robbie Fowler scored twice in four minutes Sunday as Liverpool beat Derby County, 2-1, to climb to third in the English Premier League.

Two minutes before half time, Fowler followed up a blocked shot from Patrick Berger to score his third goal in three games since returning from injury.

In Liverpool's next attack, Fowler rose above two Derby defenders to meet John Scales's cross with a powerful header into the bottom corner of Russell Hoult's net.

Derby's goal came Ashley Ward in the closing minutes.

Liverpool is a point behind Arsenal, which leads the table on goal difference ahead of Newcastle.

Manchester United, the defending champion, suffered another crushing defeat Saturday. It lost 6-3 at Southampton. The Norwegian Egil Ostenstadt scored three

SOCCER ROUNDUP

goals, the Israeli Eyal Berkovic scored two and Matt Le Tissier, an occasional England international, scored the other. United has conceded 11 goals in its last two Premier League games.

United's misery was compounded by the expulsion of Roy Keane after 22 minutes. But Southampton's recent foreign shopping spree had already begun to pay dividends. Berkovic, signed for £1.2 million ($1.92 million) from Maccabi Haifa two weeks ago, opened the scoring after six minutes.

Le Tissier made it 2-0 with a brilliant sidestep and a chip. David Beckham scored for United after 41 minutes but on the stroke of halftime Ostenstadt made it 3-1. David May headed United's second after 56 minutes, before Berkovic made it 4-2 with seven minutes to go to set off a final flurry of goals. Ostenstadt, signed for £900,000 from Viking Stavanger at the same time as Berkovic, made it 5-2. Paul Scholes scored for United but Ostenstadt completed his hat-trick with seconds remaining.

Souness's three foreign imports — the third is the Dutchman Ulrich van Gobbel, signed from the manager's old club, Galatasaray of Turkey — have transformed Southampton, which had failed to win in its first seven league matches. It has now won three and drawn one of its last four.

At Stamford Bridge, fans stood in silent tribute to Matthew Harding, the 42-year-old Chelsea vice-chairman killed in a helicopter crash on Tuesday.

Across London at Highbury, Arsenal fans welcomed back George Graham, dismissed as Arsenal manager for his part in shady transfer deals. Graham is now manager of Leeds United.

Both Chelsea and Arsenal won. Arsenal beat Leeds, 3-0, to move into first place in the league, while Chelsea beat Tottenham Hotspur, 3-1.

Newcastle, which started the day in first, lost 2-0 at Leicester City.

ITALY Ivan Zamorano struck twice as Internazionale fought back from a goal in the opening minute to beat Parma, 3-1, at the San Siro on Sunday. Inter joined Juventus at the top of Serie A.

Hernan Crespo scored a volleyed goal in his league debut for Parma. Zamorano leveled three minutes later with a powerful header and Javier Zanetti put Inter ahead with a long-range goal. Zamorano added a third in the 54th minute. The victory put Inter even with Juventus, which allowed Roma an injury-time equalizer at the Olympic stadium on Saturday. The game was moved up one day to give Roma time to prepare for its UEFA Cup match against Germany's Karlsruhe on Tuesday.

Inter and Juve are one point ahead of Vicenza, 2-0 winner over Cagliari. The defending champion, AC Milan, dropped to fourth, losing on an 83d minute goal by Anselmo Robbiati at Fiorentina.

GERMANY The German first division leader, VfB Stuttgart, and the reigning champion, Borussia Dortmund, both won by five goals on Saturday against lowly opposition.

The international striker Fredi Bobic hit a hat-trick for Stuttgart against Borussia Moenchengladbach, taking his tally to 10 goals in 12 games.

The Brazilian defender Julio Cesar scored the first two goals for Dortmund in a 5-0 victory over the last-place club, Arminia Bielefeld.

Bayern Munich won 2-0 at Fortuna Duesseldorf. Bayern is second to Stuttgart on goal difference.

Dortmund, the defending champion, is fourth, just behind Bayer Leverkusen, which drew 1-1 at Werder Bremen on Friday.

NETHERLANDS Ajax Amsterdam achieved its first away league victory of the season on Sunday, beating Vitesse Arnhem, 4-1.

Vitesse took the lead after three minutes. Dejan Curovic beat Edwin van der Sar, the Dutch national goalkeeper, with a free-kick.

The Ajax coach, Louis van Gaal, reshuffled his side at halftime and the changes worked almost immediately. After 48 minutes, the striker Patrick Kluivert, recently returned from an injury, equalized on a rebound. Richard Witschge gave the Dutch champions a 2-1 lead on a free-kick in the 61st minute and in the final half-hour Vitesse's resistance collapsed.

Wooter added Ajax's third and substitute Dave van den Bergh the fourth in injury time.

Ajax moved from sixth to fourth in the table, seven points behind the leader, PSV Eindhoven, which thrashed Roda JC, 8-0, on Saturday.

SPAIN Barcelona stayed atop the Spanish championship thanks to an extraordinary hat-trick from the Brazilian striker Ronaldo in a 3-2 victory over Valencia on Sunday.

Ronaldo's first came after 15 minutes. He picked up the ball just outside the Valencia penalty area, burst through a gap and kept his balance before beating the goalkeeper, Zubizarreta.

Twenty minutes later, Ronaldo ran 30 meters with the ball and shrugged off a challenge to make it 2-0.

Valencia scored twice in the first 13 minutes of the second half, but Ronaldo struck again 16 minutes from time. He picked up the ball in the center circle, brushed aside one challenge, stayed on his feet despite being sandwiched by two defenders and again beat Zubizarreta.

Second-place Real Madrid slipped back after a disappointing goalless draw at home to Tenerife. Home fans threw objects on the field at the end of the game. One of the missiles hit Cesar Gomez, but the Tenerife defender was not seriously hurt.

The struggling champion Atletico Madrid beat Sporting Gijon, 1-0, with a fine goal by Roberto Fresnedoso.

FRANCE Stephane Guivarc'h, top scorer in the French first division, struck twice in 11 minutes Friday as Rennes beat Paris Saint-Germain, 2-1. It was PSG's first league defeat of the season.

Monaco crushed Lille, 4-1, away and the champion, Auxerre, thrashed 10-man Lyon, 7-0, to close the gap on PSG.

UNITED STATES If D.C. United won the Major League Soccer title last weekend, why did the club play MLS's Dallas Burn Sunday night at the Cotton Bowl?

It was the semifinals of the U.S. Open Cup, an obscure tournament for teams from several American leagues that has had constant scheduling problems this year. So instead of continuing to savor their league championship and getting some much-needed rest, United's players and coaches have spent the past week preparing for another match.

The winner will play the Rochester Rhinos of the Division II A-League in the final. *(Reuters, WP)*



Carlo Fumagalli/The Associated Press

Parma's Fabio Cannavaro tackling Inter's Ivan Zamorano in Milan on Sunday.

Becker Rips Past Sampras

The Associated Press

STUTTGART — Buoyed by a roaring home crowd and pelting his opponent with 29 aces, Boris Becker rallied from a set down on Sunday to beat Pete Sampras in five sets and win the Eurocard Open.

Becker was at his best on the indoor court, posting a 3-6, 6-3, 3-6, 6-3, 6-4 victory and ending the 21-match winning streak of the world's No. 1 player, the longest such streak this year.

"He was just too good today," Sampras said. "There's only one king in Germany, and his name is Boris."

All of the world's top players had participated in the tournament.

It was Becker's 48th title, and his 29th indoors.

"Becker is the best indoor player I've ever played," Sampras said.

Becker gained the deciding break at 2-1 in the fifth set, slamming a backhand winner down the line.

He had been sidelined with a wrist injury since Wimbledon in June. This event was only his third tournament since his comeback.

"My muscles started to hurt in the fifth set, but I gritted my teeth and hung on," Becker said.

"Being this good this soon after the injury is the best Christmas gift I could have," the German star added.

Becker is to move up to No. 3 in the world when the new rankings are released on Monday.

Sampras's last loss came on Aug. 9, when he was defeated in Cincinnati by Thomas Enqvist of Sweden.

This was his first loss in eight finals in which he has played this year.

In the quarterfinals, Sampras had routed Andre Agassi in straight sets in a match he called perhaps his best ever.

But Becker, who fired 76 aces during the tournament, shifted into high gear in the second set Sunday behind his powerful serve.

At every key moment he called upon the weapon in a match decided by a single break in each set.

■ **Huber Stops Slovak**

Anke Huber of Germany beat Karina Habsudova of Slovakia, 6-3, 6-0, in the final of the Luxembourg women's championship on Sunday, Reuters reported.

McNulty Wins Volvo Masters

Reuters

Mark McNulty cantered to a seven-shot victory in the Volvo Masters at Valderrama on Sunday for his third triumph on the 1996 European Tour.

He fired a three-under-par 68 to pull away from a quartet of Jose Coceres of Argentina, the South African Wayne Westner and the Britons Lee Westwood and Sam Torrance.

Victory was worth £150,000 ($240,000), which took the Zimbabwean to fifth place on the European Order of Merit.He collected a further £39,000 from the bonus pool distributed to the top 15 on the list after the tournament.

McNulty, who led by four shots overnight, said: "Today I felt if I shot 69 someone would have to shoot 64 to beat me. That's just not on around here."

He said he settled his nerves with a seven iron to eight feet on the short third hole, from where he made birdie. He bogeyed the seventh after a wayward tee shot. "Then when I birdied the 10th and 11th I was pretty much in cruise control and just had to avoid errors," he added.

He holed from 10 feet and five feet for those birdies and iced the cake with a 20-foot birdie at the last.

McNulty's total of 276 was eight under for the 6,819-yard course.

Colin Montgomerie, confirmed with his first shot on Thursday as European No. 1 for a fourth successive year, ended a run of four years in the top four by shooting 75 for 292 and a share of 29th place.

He won £8,000 for that and a further £150,000 from the bonus pool to boost his official earnings for the season to a record £875,146.

Coceres, who shot a round of 18 pars on Saturday, had a more erratic 71 on Sunday, with four birdies and four bogeys on his card.

Swiss Captures Ski-Season Opener

Reuters

SOELDEN, Austria — Steve Locher of Switzerland made a flying start to the alpine ski season on Sunday when he won the opening World Cup race, a giant slalom.

Locher clocked the fastest times in both runs on the Rettenbach glacier course for a winning aggregate of two minutes, 03.20 seconds, to edge out his compatriot and the defending giant slalom champion, Michael Von Gruenigen.

Von Gruenigen, who clocked a combined time of 2:03.51, won five of last season's nine races in the discipline.

Third place went to Kjell Andre Aamodt of Norway, the 1994 overall World Cup champion. He completed a fast second run to improve on a first-leg ninth place. Austria's Hans Knaus was fourth.

On Saturday, Katja Seizinger of Germany began her defense of the overall World Cup title with a victory in the women's giant slalom.

Locher, 29, is better-known in his homeland as the man who claimed Switzerland's only medal at the 1992 Olympics, when he clinched a combined bronze.

It was his third career victory and second in giant slalom. His previous triumph in the discipline was in 1993, when he beat Italy's Alberto Tomba at Alta Badia in Italy.

Seizinger, the Olympic and world champion, delivered a near-perfect second run in snowfall and foggy conditions to improve from second after the first leg to overall first with an aggregate time of 2:11.81.

The early leader, Deborah Compagnoni of Italy, had trouble in the upper half of the Rettenbach course, flagged with 44 gates in both runs, and fell back to overall second in 2:11.93. Germany's Hilde Gerg was third in 2:13.84.

The World Cup season continues with a men's and women's slalom and giant slalom in Park City, Utah, Nov. 21-24.

SCOREBOARD

HOCKEY

NHL STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION	W	L	T	Pts	GF	GA
Florida	6	0	3	15	32	15
Tampa Bay	5	3	0	10	31	27
Philadelphia	5	5	0	10	27	27
New Jersey	4	3	1	9	20	20
N.Y. Rangers	3	6	2	8	33	37
Washington	3	5	0	6	25	28
N.Y. Islanders	1	4	3	5	18	22
NORTHEAST DIVISION	W	L	T	Pts	GF	GA
Hartford	5	2	0	10	24	19
Buffalo	5	4	0	10	26	26
Montreal	4	3	2	10	38	36
Ottawa	3	3	3	9	27	28
Boston	3	4	1	7	25	25
Pittsburgh	2	8	0	4	23	43

WESTERN CONFERENCE

CENTRAL DIVISION	W	L	T	Pts	GF	GA
Dallas	8	2	0	16	32	22
Chicago	6	3	1	13	27	21
Detroit	6	4	1	13	27	17
St. Louis	5	6	0	10	33	32
Toronto	4	5	0	8	23	29
Phoenix	3	5	1	7	21	23
PACIFIC DIVISION	W	L	T	Pts	GF	GA
Colorado	6	4	1	13	43	28
Calgary	6	4	1	13	32	25
Edmonton	6	5	0	12	37	34
San Jose	3	5	3	9	29	38
Los Angeles	4	6	1	9	28	38
Vancouver	4	5	0	8	24	28
Anaheim	1	7	2	4	23	40

FRIDAY'S RESULTS

N.Y. Rangers 1 0 3—4
Florida 1 2 3—6
First Period: F-Hull 1 (Skrudland) 2, New York, Graves 4 (Sundstrom) (sh). **Second Period:** F-Gustafsson 3 (Sheppard, Garpenlov) (pp). 4, F-Niedermayer 4 (Garpenlov, Mellanby) (pp). **Third Period:** F-Barnes 1 (Murphy, Jovanovski) (pp). 6, F-Lowry 2 (Sheppard, Gustafsson) (pp). 7, New York, Gretzky 4, (pp). 8, New York, Messier 2 (Gretzky, Robitaille) (pp). 9, New York, Messier 3 (Graves) (sh). 10, F-Svehla 2 (Mellanby, Gustafsson) (pp). **Shots on goal:** New York 12-12-8—32. F- 13-10-14—37. **Goalies:** New York, Richter. F-Vanbiesbrouck.

Chicago 2 0 0 0—2
Detroit 0 2 0 0—2
First Period: C-Suter 1 (Chelios, Zhamnov) (pp). 2, C-Daze 1 (Craven, Suter) (pp). **Second Period:** D-Kozlov 4 (Pushor) 4, D-Shanahan 6 (Yzerman, Johnson) 15:05. **Third Period:** None. **Overtime:** None. **Shots on goal:** C- 7-9-10-2—28. D- 12-18-7-4—41. **Goalies:** C-Waite. D-Hodson.

SATURDAY'S RESULTS

San Jose 0 0 2 0—2
N.Y. Islanders 0 2 0 0—2
First Period: None. **Second Period:** New York, Hughes 1 (Plante, Berard) 2, New York, Green 2 (Berard, McInnis) (pp). **Third Period:** S.J.-Sykora 2. 4, S.J.-Nolan 3 (Nicholls, Turcotte) (pp). **Overtime:** None. **Shots on goal:** S.J.- 10-16-14-1—41. New York 7-10-5-5—27. **Goalies:** S.J.-Hrudey. New York, Salo.

Detroit 1 0 1—2
Boston 0 0 1—1
First Period: D-Lapointe 2 (Kozlov, McCarty) (pp). **Second Period:** None. **Third Period:** D-Shanahan 7 (Yzerman, McCarty) 3, B-D.Sweeney 1 (Stumpel) **Shots on goal:** D- 9-1-12—22. B- 4-7-13—24. **Goalies:** D-Osgood. B-Ranford 3-3-1

Hartford 2 1 0—3
Buffalo 3 3 0—6
First Period: B-Semenov 1 (Zhitnik, LaFontaine) (pp) 2, H-Ron 1 (Nikolishin, Primeau) (pp). 3, H-Dineen 4 (Cassels, Wesley) (pp) 4, B- LaFontaine 7 (Zhitnik, Smehlik) 5, B-Smehlik 1 (Peca, Burridge) **Second Period:** B-Shannon 1 (Dawe) 7, H-Nikolishin 2 (Primeau, Burt) 8, B-Smehlik 2 (Zhitnik, LaFontaine) (pp). 9, B-Ray 1 (Semenov, Ward) **Third Period:** None. **Shots on goal:** H- 14-6-7—27. B- 9-8-10—27. **Goalies:** H-Burke. B-Hasek.

Philadelphia 0 3 2—5
Montreal 2 2 2—6
First Period: M-Koivu 5 (Savage, Recchi) 2, M-Wilkie 1 (Quintal) (pp). **Second Period:** P-Klatt 2 (Otto, Podein) 4, M-Rucinsky 3 (Wilkie, Brisebois) (pp). 5, P-Brind'Amour 4 (Renberg, Niinimaa) (pp). 6, P-LeClair 2 (Niinimaa) 7, M-Richer 4 (Damphousse) **Third Period:** M-Koivu 6 (Recchi, Rucinsky) 9, P-Podein 4 (Otto) 10, M-Richer 5 (Rucinsky) 11, P-Darby 1 (Falloon) **Shots on goal:** P- 11-18-13—42. M- 13-5-5—23. **Goalies:** P-Hextall. M-Jablonski

Washington 3 3 0—6
St. Louis 4 0 0—4
First Period: S.L.-Courtnall 1 (Hull, Corson). 2, S.L.-MacInnis 3 (Hull, Baron) 3, W.-Konowalchuk 1 (Gonchar, Klee) 4, S.L.-Murphy 4 (Zezel, Hull) 5, S.L.-Hull 4 (MacInnis, Pronger) (pp). 6, W-Brunette 1 (Johansson, Housley) (pp). 7, W-Allison 3 (Krygier, Klee) **Second Period:** W-Allison 4, 9, W-, Hunter 2, 10, W-Bondra 4. **Third Period:** None. **Shots on goal:** W- 11-10-7—28. S.L.- 13-7-9—29. **Goalies:** W-Carey, S.L.-Fuhr, Casey.

Pittsburgh 0 1 0—1
Vancouver 2 0 0—2
First Period: V-Gelinas 3 (Mogilny, Ridley) 2, V-Ridley 2 (Odjick, Hedican) **Second Period:** P-Jagr 6 (Francis, Lemieux) (pp). **Third Period:** None. **Shots on goal:** P- 6-11-10—27 V- 11-10-5—26. **Goalies:** P-Wregget V-Hirsch.

Calgary 0 0 0 0—0
Los Angeles 0 0 0 0—0
First Period: None. **Second Period:** None. **Third Period:** None. **Overtime:** None. **Shots on goal:** C- 13-12-8-2—35. L.A.- 4-7-14-1—26. **Goalies:** C-Kidd. L.A.-Fiset 3-5-1.

New Jersey 1 1 2—4
Tampa Bay 0 0 1—1
First Period: N.J.-Carpenter 1 (MacLean, Dean) **Second Period:** N.J.-McKay 2 (Andreychuk, Holik) **Third Period:** T-Burr 4 (Cullen) 4, N.J.-, Andreychuk 3 5, N.J.-Guerin 5 (en) **Shots on goal:** N.J.- 11-10-9—30. T- 9-10-12—31. **Goalies:** N.J.-Brodeur. T-Schwab.

Phoenix 0 2 0—2
Toronto 2 0 1—3
First Period: T-Sundin 6 (Clark, Schneider) 2, T-Gilmour 2 (Convery, Yushkevich) **Second Period:** Phoenix, Drake 1 (Roenick) (pp). 4, Phoenix, Gartner 8 (Roenick, Johnson) (sh). **Third Period:** T-Sundin 7 (Gilmour, Schneider) (pp). 6, T-Clark 3 (Murphy, Domi) 7, T-Craig 3, (en). **Shots on goal:** Phoenix 11-12-10—33. T- 10-8-16—34. **Goalies:** Phoenix, Khabibulin. T-Potvin.

Ottawa 0 0 1—1
Dallas 1 1 3—5
First Period: D-Ledyard 1 (Hogue, Gilchrist) **Second Period:** D-Modano 3, (sh). **Third Period:** D-Hogue 3 (Modano, Verbeek) 4, D-Modano 4 (Verbeek, Hatcher) 5, O-Hannan 1 (McEachern) 6, D-Lehtinen 3 (Ledyard, Adams) (pp). **Shots on goal:** O- 5-10-7—22. D- 13-4-8—25. **Goalies:** O-Rhodes, D-Moog.

Colorado 1 1 2—4
Edmonton 0 2 0—2
First Period: C-Sakic 5 (Leschyshyn, Lefebvre) **Second Period:** C-Kamensky 3 (penalty shot). 3, E-Czerkawski 2 (Marchant, McAmmond) (pp) 4, E-Grier 1 (Petit, Weight) (pp). **Third Period:** C-Corbet 3 (Foote, Forsberg) 6, C-Keane 3, (en). **Shots on goal:** C- 13-8-9—30. E- 7-10-10—27. **Goalies:** C-Roy. E-Joseph.

FOOTBALL

TOP 25 COLLEGE RESULTS

How the top 25 teams in The Associated Press' college football poll fared this week:

No. 1 Florida (7-0) did not play. No. 2 Ohio State (7-0) beat No. 20 Iowa 38-26. No. 3 Florida State (6-0) beat No. 14 Virginia 31-24. No. 4 Arizona State (8-0) beat Stanford 41-9. No. 5 Nebraska (6-1) beat Kansas 63-7. No. 6 Tennessee (5-1) beat No. 7 Alabama 20-13. No. 7 Alabama (7-1) lost to No. 6 Tennessee 20-13. No. 8 Colorado (6-1) beat Texas 28-24. No. 9 North Carolina (6-1) beat Houston 42-14. No. 10 Michigan (6-1) beat Minnesota 44-10. No. 11 Northwestern (7-1) beat Illinois 27-24. No. 12 West Virginia (7-1) lost to No. 25 Miami 10-7. No. 13 LSU (6-1) beat Mississippi State, 28-20. No. 14 Virginia (5-2) lost to No. 3 Florida State 31-24. No. 15 Brigham Young (8-1) beat Texas Christian, 45-21. No. 16 Kansas State (7-1) beat Oklahoma, 42-35. No. 17 Penn State (7-2) beat Indiana, 48-26. No. 18 Wyoming (8-0) did not play. No. 19 Notre Dame (4-2) did not play. No. 20 Iowa (5-2) lost to No. 2 Ohio State 38-26. No. 21 Utah (7-1) beat Tulsa 45-19. No. 22 Auburn (5-2) did not play. No. 23 Washington (5-2) beat Oregon 33-14. No. 24 Southern Mississippi (7-1) beat Tulane 31-28. No. 25 Miami (5-2) beat No. 12 West Virginia 10-7.

MAJOR COLLEGE SCORES

Brown 27, Penn 21
Bucknell 38, Holy Cross 7
Colgate 40, Lafayette 9
Columbia 13, Yale 10
Dartmouth 38, Cornell 21
Delaware 27, James Madison 10
Harvard 24, Princeton 0
Miami 10, West Virginia 7
New Hampshire 40, Massachusetts 7
Rhode Island 38, Boston U. 7
Rutgers 28, Temple 17
Syracuse 45, Boston College 17
Cincinnati 10, Louisville 7
Florida St. 31, Virginia 24
Georgia Tech 27, Cent. Florida 20
Jackson St. 52, Grambling St. 5
Kentucky 24, Georgia 17
LSU 28, Mississippi St. 20
Marshall 24, Appalachian St. 10
Maryland 22, Duke 19
Mississippi 38, Arkansas St. 21
Navy 47, Wake Forest 18
South Carolina 27, Vanderbilt 0
Southern Miss. 31, Tulane 23
Tennessee 20, Alabama 13
Virginia Tech 34, Pittsburgh 17
Army 27, Miami, Ohio 7
Kansas St. 42, Oklahoma 35
Michigan 44, Minnesota 10
Michigan St. 30, Wisconsin 13
Missouri 35, Oklahoma St. 28, OT
Nebraska 63, Kansas 7
Northwestern 27, Illinois 24
Ohio St. 38, Iowa 26
Penn St. 48, Indiana 26
Baylor 49, Iowa St. 21
Brigham Young 45, Texas Christian 21
North Carolina 42, Houston 14
Rice 46, Texas-El Paso 21
Southern Meth. 52, New Mexico 31
Texas Tech 13, Texas A&M 10
Air Force 34, Hawaii 7
Arizona 33, Oregon St. 7
Arizona St. 41, Stanford 9
Colorado 28, Texas 24
Fresno St. 34, UNLV 23
Montana 48, N. Arizona 32
Southern Cal 29, Washington St. 24
UCLA 38, California 29
Utah 45, Tulsa 19
Utah St. 35, Idaho 23
Washington 33, Oregon 14

CFL STANDINGS

EASTERN DIVISION	W	L	T	PF	PA	Pts.
Toronto	13	3	0	484	324	26
Montreal	11	6	0	472	445	22
Hamilton	8	9	0	412	579	16
Ottawa	3	14	0	329	429	6
WESTERN DIVISION						
Calgary	12	4	0	530	301	24
Edmonton	10	7	0	478	322	20
Winnipeg	9	8	0	397	453	18
Saskatchewan	5	12	0	337	452	10
British Columbia	4	12	0	354	434	8

FRIDAY'S RESULT
Montreal 45, Hamilton 41, OT
SATURDAY'S RESULT
Winnipeg 30, Ottawa 28

BASKETBALL

NBA PRESEASON

Dallas Mavericks 107, Utah Jazz 102
Chicago Bulls 97, Sacramento Kings 91
Cleveland Cavaliers 104, Phoenix Suns 92
Seattle SuperSonics 99, L.A. Lakers 94
Denver Nuggets 113, L.A. Clippers 84
Port. TrailBlazers 98, Vancouver Grizzlies 77
Minn. Timberwolves 116, Boston Celtics 115
Detroit Pistons 91, Orlando Magic 73

SOCCER

ITALIAN FIRST DIVISION
Atalanta 2, Lazio of Rome 1
AS Roma 1, Juventus 1
Fiorentina 1, AC Milan 0
Inter Milan 3, AC Parma 1
Napoli 1, Bologna 1
Perugia 2, Udinese 1
Piacenza 2, Verona 0
Reggiana 1, Sampdoria 1
Vicenza 2, Cagliari 0
STANDINGS: Internazionale 14 points, Juventus 14; Vicenza 13; Milan 12, Perugia 12; Roma 11, Fiorentina 11, Piacenza 11, Napoli 11; Sampdoria 10, Bologna 10, Parma 10; Udinese 5, Lazio 5, Verona 5, Atalanta 5, Cagliari 4, Reggiana 4.

SCOTTISH PREMIER DIVISION
Aberdeen 1, Raith 3
Dundee United 1, Hearts 0
Dunfermline 2, Kilmarnock 1
Celtic 4, Hibernian 0
Rangers 5, Motherwell 0
STANDINGS: Rangers 25 points; Celtic 23; Aberdeen 15; Hibernian 14; Dunfermline 13; Hearts 12; Motherwell 11; Dundee United 9; Kilmarnock 8; Raith 4

ENGLISH PREMIER LEAGUE
Arsenal 3, Leeds 0
Chelsea 3, Tottenham 1
Coventry 0, Sheffield Wednesday 0
Leicester 2, Newcastle 0
Middlesbrough 0, Wimbledon 0
Southampton 6, Manchester United 3
Sunderland 1, Aston Villa 0
West Ham 2, Blackburn 1
STANDINGS: Arsenal 24 points, Newcastle 24, Wimbledon 22; Liverpool 20; Manchester United 19, Chelsea 19; Aston Villa 15, Sheffield Wednesday 15; Tottenham 14, West Ham 14, Leicester 14, Middlesbrough 13, Sunderland 13; Southampton 12, Everton 12; Derby 11; Leeds 10; Nottingham Forest 8, Coventry 6, Blackburn 4

DUTCH FIRST DIVISION
PSV Eindhoven 8, Roda JC Kerkrade 0
Graafschap Doetinchem 2, Fortuna Sittard 0
Feyenoord 2, Utrecht 1
Willem II Tilburg 2, NAC Breda 0
FC Volendam 2, FC Groningen 2
Sparta Rotterdam 2, FC Twente Enschede 0
AZ Alkmaar 2, NEC Nijmegen 2
SC Heerenveen 3, RKC Waalwijk 0
Ajax Amsterdam 4, Vitesse Arnhem 1
STANDINGS: PSV Eindhoven 30 points; Feyenoord 29; Graafschap Doetinchem 24; Ajax Amsterdam 22, Twente Enschede 21, Vitesse Arnhem 19, Heerenveen 18, Sparta Rotterdam 19, Roda JC Kerkrade 17; NAC Breda 15, Volendam 15, Fortuna Sittard 13, Willem II Tilburg 13, NEC Nijmegen 13; Utrecht 11, AZ Alkmaar 11, Groningen 11; RKC Waalwijk 9.

FRENCH FIRST DIVISION
Rennes 2, Paris-SG 1
Monaco 4, Lille 1
Auxerre 7, Lyon 0
Lens 1, Bastia 0
Le Havre 2, Metz 1
Strasbourg 3, Nancy 1
Nantes 1, Marseille 0
Guingamp 1, Caen 0
Nice 0, Cannes 0
STANDINGS: Paris SG 29 points; Monaco 26; Auxerre 25; Strasbourg 22; Bordeaux 21, Bastia 21, Rennes 21, Lens 21; Guingamp 20, Lille 20; Metz 19; Cannes 18, Lyon 18; Marseille 17; Le Havre 16; Nantes 15; Montpellier 12; Caen 11; Nice 10; Nancy 8.

GERMAN BUNDESLIGA
Werder Bremen 1, Bayer Leverkusen 1
Hansa Rostock 3, St Pauli 1
Borussia Dortmund 5, Arminia Bielefeld 0
Hamburg 2, Karlsruhe 0
VfB Stuttgart 5, Borussia Moenchen. 0
1860 Munich 1, Duisburg 1
Bayern Munich 2, Fortuna Duesseldorf 0
Cologne 3, Schalke 1
STANDINGS: VfB Stuttgart 27 points, Bayern Munich 27; Bayer Leverkusen 24; Borussia Dortmund 23; Cologne 22; Werder Bremen 20; Karlsruhe 17, Duisburg 17, Bochum 17; 1860 Munich 15, Fortuna Duesseldorf 15; Hamburg 14, Borussia Moenchengladbach 14; Schalke 13; Hansa Rostock 12; St Pauli 11; Freiburg 9; Arminia Bielefeld 7.

SPANISH FIRST DIVISION
Espanyol 2, Real Betis 1
Atletico Madrid 1, Sporting Gijon 0
Real Madrid 0, Tenerife 0
Barcelona 3, Valencia 2
STANDINGS: Barcelona 26 points; Real Madrid 22; Deportivo Coruna 19; Real Betis 18; Valladolid 17; Valencia 16; Tenerife 14, Espanyol 14, Atletico Madrid 14, Real Sociedad 14; Rayo Vallecano 13, Racing Santander 13; Celta Vigo 12, Athletic Bilbao 12, Sporting Gijon 12; Oviedo 11; Logrones 10; Compostela 9; Zaragoza 7; Sevilla 5; Hercules 4, Extremadura 3.

WORLD CUP QUALIFYING
Honduras 0, Jamaica 0

TENNIS

EUROCARD OPEN
IN STUTTGART, GERMANY
SEMIFINALS

Pete Sampras (1), United States, def. Jan Siemerink, Netherlands, 6-3, 6-4; Boris Becker (6), Germany, def. Michael Chang (2), United States, 6-4, 6-3.

FINAL

Becker (6), def. Sampras (1), 3-6, 6-3, 3-6, 6-3, 6-4.

LUXEMBOURG SEAT OPEN
IN LUXEMBOURG
SEMIFINALS

Anke Huber, Germany (1), def. Anne-Gaelle Sidot, France 6-4, 7-6 (7-5); Karina Habsudova, Slovakia (5), def. Barbara Paulus, Austria (3), 5-7, 7-5, 6-3.

FINAL

Huber (1), def. Habsudova (5), 6-3, 6-0.

BELL CHALLENGE
IN QUEBEC
QUARTERFINALS

Tami Whitlinger Jones, United States, def. Kimberly Po (4), United States, 1-6, 6-4, 7-5; Els Callens, Belgium, def. Florencia Labat (6), Argentina, 6-4, 6-4.

Lisa Raymond (5), United States, def. Brenda Schultz-McCarthy (1), Netherlands, 6-4, 7-6 (7-2); Elena Likhovtseva (2), Russia, def. Jolene Watanabe, United States, 7-6 (7-4), 7-6 (7-1).

SEMIFINALS

Raymond (5), def. Whitlinger Jones, 6-3, 6-4; Callens def. Likhovtseva (2), Russia, 6-0, 6-4.

SKIING

WORLD CUP

Leading results Saturday from a women's World Cup giant slalom on the Soelden glacier in Austria with a drop of 1,148 feet (350 meters): 1, Katja Seizinger, Germany, 2 minutes, 11.81 seconds; 2, Deborah Compagnoni, Italy, 2:11.93; 3, Hilde Gerg, Germany, 2:13.84; 4, Ana Galindo Santolaria, Spain, 2:13.96; 5, Karin Roten, Switzerland, 2:14.19; 6, Ylva Nowen, Sweden, 2:14.95; 7, Andrine Flemmen, Norway, 2:14.96; 8, Urska Hrovat, Slovenia, 2:15.11; 9, Birgit Heeb, Liechtenstein, 2:15.64; 10, Alexandra Meissnitzer, Austria, 2:16.00.

Overall and Giant Slalom Standings: 1, Seizinger, 100 points; 2, Compagnoni, 80; 3, Gerg, 60; 4, Santolaria, 50; 5, Roten, 45; 6, Nowen, 40; 7, Flemmen, 36; 8, Hrovat, 32; 9, Heeb, 29; 10, Meissnitzer, 26; 11, Michaela Dorfmeister, Austria, 24; 12, Marianne Kjorstad, Norway, 22; 14, Martina Oester, Switzerland, 18; 15, Martina Fortkord, Sweden, 16.

Leading results Sunday of a men's World Cup giant slalom on the Soelden glacier in Austria: 1, Steve Locher, Switzerland 2 minutes, 3.20 seconds; 2, Michael Von Gruenigen, Switzerland 2:03.51; 3, Kjetil-Andre Aamodt, Norway 2:04.20; 4, Hans Knaus, Austria 2:04.24; 5, Urs Koelin, Switzerland 2:04.31; 6, Christian Mayer, Austria 2:04.32; 7, Guenther Mader, Austria 2:04.39; 8, Vincent Millet, France 2:04.46; 8, Jure Kosir, Slovenia 2:04.46; 10, Rainer Salzgeber, Austria 2:04.51.

Overall and Giant Slalom standings: 1, Locher, 100 points; 2, Von Gruenigen, 80; 3, Aamodt, 60; 4, Knaus, 50; 5, Koelin, 45; 6, Mayer, 40; 7, Mader, 36; 8, Millet, 32; 8, Kosir, 32; 10, Salzgeber, 26; 11, Ian Piccard, France, 24; 12, Matteo Nana, Italy, 22; 13, Patrick Holzer, Italy, 20; 14, Fredrik Nyberg, Sweden, 18; 15, Mitja Kunc, Slovenia, 16.

GOLF

VOLVO MASTERS

Leading final round scores in the Volvo Masters golf tournament on Sunday in Sotogrande, Spain (Players British unless stated):

Mark McNulty, Zimbabwe	72 69 67 68—276
Wayne Westner, S. Africa	70 74 72 67—283
Sam Torrance	73 74 68 68—283
Jose Coceres, Argentina	71 70 71 71—283
Lee Westwood	71 71 70 71—283
Andrew Oldcorn	74 66 72 72—284
S.Ames, Trinidad/Tobago	67 71 77 70—285
David Carter	70 75 72 68—285
David Frost, S. Africa	73 75 70 68—286
Peter Mitchell	74 71 71 70—286
Richard Green, Australia	72 74 70 70—286
F. Nobilo, New Zealand	71 71 70 74—286

CYCLING

JAPAN CUP ROAD RACE

Leading results Sunday in the Japan Cup Cycling Road Race over 179.5 kilometers (112.2 miles) in Utsunomiya, Japan: 1, Mauro Gianetti, Switzerland, 4 hours, 31 minutes, 1 second; 2, Pascal Herve, France, 4:31:24; 3, Andrea Peron, Italy, same time; 4, Andrea Tafi, Italy, s.t.; 5, Davide Rebellin, Italy, s.t.; 6, Daniele Nardello, Italy, 4:31:33; 7, Fabio Roscioli, Italy, 4:32:58; 8, Vjatceslav Ekimov, Russia, 4:35:41; 9, Michel Lafis, Sweden, s.t.; 10, Bobby Julich, United States, 4:35:43.

World Cup Final Standings: 1, Johan Museeuw, Belgium, 162 points; 2, Andrea Ferrigato, Italy, 126; 3, Michele Bartoli, Italy, 124; 4, Andrea Tafi, Italy, 107; 5, Stefano Zanini, Italy, 88; 6, Mauro Gianetti, Switzerland, 87; 7, Lance Armstrong, United States, 81; 8, Fabio Baldato, Italy, 77; 9, Davide Rebellin, Italy, 68; 10, Alexander Gontchenkov, Russia, 67.

CRICKET

SECOND TEST
PAKISTAN VS. ZIMBABWE
SATURDAY, IN FAISALABAD, PAKISTAN

Zimbabwe 1st innings: 133 (all out)
Pakistan 1st innings: 267 (all out)
Zimbabwe 2nd innings: 200 (all out)
Pakistan 2nd innings: 69 for 0
Pakistan won by 10 wickets

RUGBY UNION

CURRIE CUP
Natal 33, South Africa 15

EUROPEAN CUP
POOL A
Bath 25, Dax 16
POOL B
Leicester 19, Pau 14
Leinster 34, Scottish Borders 25
POOL C
Neath 15, Ulster 13
POOL D
Wasps 77, Toulouse 17

EUROPEAN CONFERENCE
POOL A
Montferrand 46, Newbridge 12
Agen 33, Sale 16
Newport 25, Glasgow 10
POOL B
Castres 27, Bristol 14
Dinamo Bucharest 38, Treorchy 31
Narbonne 33, Bridgend 17
POOL C
Northampton 48, Dunvant 32
Orrell 42, Padova 25
POOL D
Ebbw Vale 28, London Irish 20
Swansea 31, Begles 31

TRANSITIONS

BASKETBALL
NATIONAL BASKETBALL ASSOCIATION
NEW JERSEY—Waived G Trevor Ruffin.
SEATTLE—Signed C Elmore Spencer. Waived G Drew Barry and F Anthony Miller.

FOOTBALL
NATIONAL FOOTBALL LEAGUE
GREEN BAY—Put WR Robert Brooks on injured reserve. Activated OT Ken Ruettgers from physically-unable-to-perform list.
PITTSBURGH—Waived P Shayne Edge. Activated WR Ernie Mills from physically-unable-to-perform list.
SAN DIEGO—Signed LB Joe Cummings from practice squad. Put OL Troy Sienkiewicz on injured reserve.

HOCKEY
NATIONAL HOCKEY LEAGUE
ANAHEIM—Assigned D Adrian Plavsic to Long Beach, IHL.
BOSTON—Assigned D Dean Chynoweth, D John Rohloff and D Sandy Moger to Providence, AHL.
EDMONTON—Claimed F Ralph Intranuovo off waivers from Toronto and assigned him to Hamilton, AHL.
MONTREAL—Recalled C Scott Fraser from Fredericton, AHL. Assigned RW David Ling to Fredericton.
NEW JERSEY—Recalled C Denis Pederson from Albany, AHL.

THE WEEK AHEAD

MONDAY, OCT. 28

TENNIS, Paris— Men's Paris Open, through Nov.3; Montevideo— Men's Montevideo Open, through Nov. 3; Hong Kong— Men's Hong Kong Open, through Nov. 3; Chicago— WTA women's tournament, through Nov. 3; Moscow— WTA women's Kremlin Cup, through Nov. 3.

TUESDAY, OCT. 29

CRICKET, Rajkot, India— India vs. South Africa.
SOCCER, Various sites— UEFA Cup second round, second leg: Boavista vs. Dynamo Tbilisi; Besiktas vs. Legia Warsaw; Valencia vs. Slavia Prague; Spartak Moscow vs. Hamburg; Anderlecht vs. Vitoria Guimaraes; Karlsruhe vs. Roma; Neuchatel Xamax vs. Helsingborg; Feyenoord vs. Espanyol; Nat. Bucharest vs. Club Brugge; Monaco vs. Borussia Moenchen.; Casino Graz vs. Inter Milan; Brondby vs. Aberdeen; Sporting Lisbon vs. Metz; Newcastle United vs. Ferencvaros; Trabzonspor vs. Schalke; Tenerife vs. Lazio.

WEDNESDAY, OCT. 30

RUGBY UNION, Galashiels, Scotland— Scotland A vs. Australia.
CRICKET, Quetta, Pakistan— Pakistan vs. Zimbabwe one day international.
SOCCER, Various sites— European Champions' League, Group A Glasgow Rangers vs. Ajax Amsterdam; Grasshopper Zurich vs. Auxerre; Group B Widzew Lodz vs. Steaua Bucharest; Borussia Dortmund vs. Atletico Madrid; Group C Manchester United vs. Fenerbahce; Juventus vs. Rapid Vienna; Group D Porto vs. Rosenborg; AC Milan vs. IFK Gothenburg; Various sites—World Cup Qualifying, CONCACAF, Semifinals: Mexico vs. St. Vincent and the Grenadines; Various sites — South American Super Cup, Santos vs. Colo Colo or Flamengo; Cruzeiro vs. Velez Sarsfield.

THURSDAY, OCT. 31

GOLF, Atlanta— World Open championship, through Nov. 3; Hong Kong— Dunhill Masters tournament, through Nov. 3; Braselton, Georgia— Sarazen World Open Championship, through Nov. 3
SOCCER, Various sites— European Cup Winners's Cup, second round, second leg: AEK Athens vs. Olimpija Ljubljana; Red Star Belgrade vs. Barcelona; Paris St Germain vs. Galatasaray; PSV Eindhoven vs. Brann Bergen; Sparta Prague vs. Fiorentina; Liverpool vs. Sion; AIK Stockholm vs. Nimes; Lokomotiv Moscow vs. Benfica; Genoa, Italy— International exhibition, Indonesia vs. Moldova.

FRIDAY, NOV. 1

BASKETBALL, New York — NBA season begins.
BASEBALL, Tokyo— United States vs. Japan Goodwill Series, Game 1.
CRICKET, Guhati or Patna, India— Australia vs. South Africa, second one day tournament.
RUGBY LEAGUE, Christchurch, New Zealand— New Zealand vs. Britain, third test.
SOCCER, Geneva— Draw for third round of UEFA Cup competition; New York— International exhibition, Colombia vs. Honduras.

SATURDAY, NOV. 2

FOOTBALL, Dublin, Ireland — NCAA, U.S. college, Shamrock Classic, Navy vs. Notre Dame
RUGBY UNION, Glasgow, Scotland— Scottish Districts vs. Australia; European Cup —Pool A Dax vs. Pontypridd; Treviso vs. Bath; Pool B Leicester vs. Llanelli; Leinster vs. Pau; Pool C Harlequins vs. Caledonia; Ulster vs. Brive; Pool D Toulouse vs. Munster; Milan vs. Wasps.

SUNDAY, NOV. 3

ATHLETICS, New York— Marathon
CRICKET, Chandigarh, India — India vs. Australia; Peshawar, Pakistan— Pakistan v Zimbabwe.
SOCCER, World Cup CONCACAF semifinals, Canada vs. El Salvador; United States vs. Guatemala.

هكذا من الأصل

SPORTS

Giants Rout Lions, 35-7, And Skins Thrash Colts

The Associated Press

The magic went out of the Silverdome for the Detroit Lions on Sunday as the New York Giants, led by the sparkling play of defensive backs Tito Wooten and Maurice Douglass, snapped Detroit's 10-game home winning streak with a 35-7 rout.

In addition to the good defense, the Giants also had a creative offensive

NFL Roundup

game plan. Dave Brown shredded the Lions secondary, completing 15 of 27 for 221 yards, with one interception. Rodney Hampton gained 76 yards on 27 carries.

But it was the defense, which had only five interceptions in the Giants' first seven games, that won this game. The secondary picked off five passes and helped hold Barry Sanders to 47 yards on 16 carries. The Giants also recovered one fumble and the punt team blocked a kick for a safety.

The Lions, coming off their bye week, scored on their first possession, but the Giants dominated the rest of the first half, reeling off 25 points.

Redskins 31, Colts 16 Terry Allen rushed for 124 yards and had his second consecutive three-touchdown game, Brian Mitchell returned a punt 71 yards, and Gus Frerotte was 18-for-25 as Washington beat visiting Indianapolis for its seventh straight victory.

The Redskins and Colts both moved the ball freely over the first 30 minutes, but the Colts sputtered after the break.

Indianapolis, which has lost three of its last four, had 185 yards and 13 points at halftime, but only 113 yards and a field goal in the second half. The Colts' only turnover, when Jim Harbaugh had the ball stripped by Ken Harvey while attempting to pass, led to Allen's third TD and 13th of the season that put the game away early in the fourth quarter.

Eagles 20, Panthers 9 Ty Detmer, in his third National Football League start, led Philadelphia to two first-half touchdowns, and the Eagles' defense kept visiting Carolina out of the end zone.

Detmer followed a four-TD performance last week against Miami by passing for a career-high 342 yards and a touchdown to rookie tight end Jason Dunn that was Dunn's first pro score.

Irving Fryar, who caught eight passes for 116 yards and all four TDs last week, caught seven passes for 143 yards.

Steelers 20, Falcons 17 Norm Johnson kicked a 20-yard field as time ran out, giving Pittsburgh the victory and sending Atlanta, playing at home, to its eighth straight loss.

The Steelers, who lost to the Cowboys in the last Super Bowl, drove 66 yards for the winning field goal behind the rushing of Jerome Bettis. He ran for more than 100 yards for the sixth time this season, and quarterback Mike Tomczak was nearly perfect passing in the second half.

Bettis, third in the NFL in rushing going in, ran seven times for 32 yards in the winning drive, and finished with 126 yards on 26 carries. Tomczak completed all three passes for 32 yards and was 11-for-12 for 111 yards in the second half, 22-for-27 and 214 yards overall.

The Falcons had tied it 17-17 with 9:05 left on a 4-yard TD toss from Bobby Hebert to Bert Emanuel, capping an 83-yard drive in six plays.

Bengals 28, Jaguars 21 Jeff Blake threw a touchdown pass and Ki-Jana Carter ran for two scores as the Bengals scored 21 fourth-quarter points to overcome Jacksonville in Cincinnati.

The Bengals broke their season-long pattern of folding at the end to get Bruce Coslet the victory in his first game since replacing Dave Shula, who lost his job last Sunday.

Packers 13, Buccaneers 7 The high-powered Green Bay Packers, grounded by mistake-prone Tampa Bay and yet another injury to a receiver Sunday, still had enough to win at home.

The Packers' depleted receiving corps took another huge hit when Antonio Freeman broke his left forearm in his first start since replacing the injured Robert Brooks. It is not known how long he will be out. Freeman was hurt on the Packers' second drive.

Brett Favre, who leads the NFL with 21 touchdown passes, did not throw for a touchdown for the first time since Nov. 5, 1995, a span of 17 games, including the playoffs. He was just 19-of-31 for 178 yards and an interception.

But Edgar Bennett rushed 20 times for 93 yards and Dorsey Levens ran seven times for 21 yards and a TD. Chris Jacke had field goals of 40 and 48 yards.

Ravens 37, Rams 31 Burned once by a missed field goal, the Baltimore Ravens avoided the first NFL tie in seven years by going to the air in the final seconds of overtime, with Vinny Testaverde throwing a 22-yard touchdown pass to Michael Jackson with 10 seconds left for a victory over visiting St. Louis.

The Ravens and Rams matched untimely turnovers, blown chances and silly penalties for nearly four hours.



Nick Wass/The Associated Press

Jermaine Lewis of the Ravens fumbling the ball Sunday against the Rams. Ernie Conwell of the Rams recovered.

Late Tennessee Rally Ends Alabama's Streak

The Associated Press

Two undefeated seasons ended on dramatic plays.

In Knoxville, Tennessee, Jay Graham raced 79 yards for the winning touchdown with 2:17 left Saturday as the sixth-ranked Volunteers rallied from a 13-point deficit for a 20-13 victory over No. 7 Alabama.

In Morgantown, West Virginia, Tremain Mack blocked a West Virginia punt and his teammate Nathaniel Brooks ran 20 yards for a touchdown with 21 seconds left as No. 25 Miami beat the Mountaineers, 10-7.

Alabama fell to 7-1 and 3-1 in the SEC, while West Virginia is 7-1 and 4-

College Roundup

1 in the Big East. The losses eliminated both teams from the national championship picture.

For Tennessee, Peyton Manning had his least productive day of the season, completing just 12-of-25 passes for 176 yards. He completed a 54-yard touchdown pass to Joey Kent in the third quarter, but was intercepted once and sacked four times.

But Graham came through for the Vols. With the score tied 13-13 after Graham's five-yard TD run with 9:41 left, the Vols had a second-and-12 from the 21. Graham, held to 49 yards on 13 carries, used blocks by the fullback Eric Lane and the guard Spencer Riley to break into the open. Graham faked out the Alabama safety Kelvin Sigler and ran down the right sideline for the longest run against the Tide this season.

The Mountaineers, meanwhile, only needed to get off a punt and the Hurricanes would have had three straight losses for the first time since 1984.

But Mack raced in and hit the punter Brian West's foot before it met the ball. Jack Hallmon picked up ball and handed to Brooks, who raced into the end zone for the winning points.

No. 2 Ohio St. 38, No. 20 Iowa 26 Stanley Jackson threw two TD passes and Damon Moore intercepted three passes as the Buckeyes built a 38-6 lead and then held on in Iowa City. Tim Dwight scored on a 19-yard reverse and returned a punt 86 yards for a TD as Iowa fought back.

No. 3 Florida St. 31, No. 14 Virginia 24 In Tallahassee, Florida, Thad Busby was 25-of-36 for 316 yards and two TDs, Warrick Dunn scored on a 65-yard run and the Seminoles avenged their only conference loss.

No. 4 Arizona St. 41, Stanford 9 Jake Plummer threw two first-quarter TDs and ran for another as the visiting Sun Devils raced to a 21-point first-quarter lead and then breezed to victory.

No. 5 Nebraska 63, Kansas 7 In Lincoln, Nebraska, Scott Frost threw for three TDs and ran for two more as the Cornhuskers routed the Jayhawks, who played without the suspended June Henley. Frost was 11-of-15 for 220 yards.

No. 8 Colorado 28, Texas 24 John Hessler, subbing for an injured Koy Detmer, led two second-half TD drives and the safety Steve Rosga intercepted a pass with 1:35 left as the Buffaloes rallied to beat visiting Texas.

No. 9 North Carolina 42, Houston 14 Chris Keldorf was 25-of-36 for 322 yards and four TDs as the Tar Heels' top-ranked defense allowed just 226 yards to the Cougars in Houston.

No. 10 Michigan 44, Minnesota 10 Chris Howard ran for two TDs, including an 86-yarder, as the visiting Wolverines won the Little Brown Jug for the 10th straight year.

No. 11 Northwestern 27, Illinois 24 Adrian Autry's second 1-yard TD run, with 62 seconds left, lifted the Wildcats to another nail-biting victory at home. Autry, who had 128 yards, was subbing for the injured Darnell Autry.

No. 13 LSU 28, Mississippi St. 20 In Baton Rouge, Louisiana, Kevin Faulk ran for 170 yards and two TDs as the Tigers rushed for 246 yards.

No. 15 Brigham Young 45, Texas Christian 21 Steve Sarkisian threw for 313 yards and three TDs as BYU led 31-7 at the half and won on the road.

No. 16 Kansas St. 42, Oklahoma 35 Brian Kavanagh tied a school record with four TD passes as the Wildcats held off the visiting Sooners.

No. 17 Penn St. 48, Indiana 26 The backup quarterback Mike McQueary replaced an ineffective Wally Richardson and sparked the Nittany Lions to 38 second-half points in Indiana. McQueary was 9-of-19 for 184 yards and two TDs.

No. 21 Utah 45, Tulsa 19 Juan Johnson, taking over for the injured Chris Fuamatu-Ma'afala, ran for a career-best 197 yards and three TDs and also caught a TD pass to lead the Utes at home.

No. 23 Washington 33, Oregon 14 Corey Dillon ran for 259 yards and three TDs as the visiting Huskies took a 21-0 lead and were never threatened.

No. 24 Southern Mississippi 31, Tulane 28 In New Orleans, Kendrick Lee returned a punt 29 yards to the Green Wave 14 to set up Eric Booth's 1-yard TD run with 6:04 left as the Golden Eagles won their sixth straight.

• The service academies all won. Army (7-0) beat Miami of Ohio 27-7, Navy (5-1) beat Wake Forest 47-18 and Air Force (5-2) beat Hawaii 34-7.

Devils' Brodeur Shuts Down Lightning

Reuters

Martin Brodeur stopped 30 shots and his teammates gave him a season-high four goals to work with as the New Jersey Devils picked up their first National Hockey League road victory of the season.

Dave Andreychuk had a goal and an

NHL Roundup

assist to lead the Devils to the 4-1 victory over the Tampa Bay Lightning on Saturday.

Bob Carpenter, Randy McKay and Bill Guerin scored the other goals for the Devils, who had combined for only three goals in their first two road games.

Canadiens 6, Flyers 5 Saku Koivu and Stephane Richer each scored twice and Martin Rucinsky added a goal and two assists as Montreal held on for victory over visiting Philadelphia.

Avalanche 4, Oilers 2 Rene Corbet's goal with 6:51 remaining snapped a tie and Patrick Roy made 25 saves in his 600th career game as Colorado won in Edmonton.

Edmonton rallied from a 2-0 deficit with a pair of second-period goals. But in the third, the defenseman Adam Foote sent a centering pass in front to Corbet.

Sabres 6, Whalers 3 Robert Smehlik had two goals and an assist and Pat LaFontaine added a goal and two assists as Buffalo beat visiting Hartford to run its winning streak to four games.

Red Wings 2, Bruins 1 In Boston, Chris Osgood made 23 saves and red-hot Brendan Shanahan scored the winning goal early in the third period as Detroit ran its unbeaten streak to five games. Shanahan picked up his sixth goal in four games, scoring off a goalmouth-scramble.

Maple Leafs 5, Coyotes 2 Mats Sundin scored twice and Felix Potvin made 31 saves as Toronto stopped visiting Phoenix. Sundin broke a 2-2 deadlock in the third period with his second goal of the game when he took a pass from Doug Gilmour and beat Nikolai Khabibulin at the 11:20 mark.

Stars 5, Senators 1 In Dallas, Mike Modano scored twice and Andy Moog made 21 saves as the Stars rolled past Ottawa.

Islanders 2, Sharks 2 Michal Sykora and Owen Nolan scored third-period goals to lift visiting San Jose into a 2-2 tie with New York. The Sharks were frustrated by the Islander goaltender Tommy Salo for more than 49 minutes before breaking through.

Capitals 6, Blues 4 Jason Allison scored twice as Washington scored five unanswered goals to beat the Blues in St. Louis.

Brett Hull had a goal and three assists as the Blues raced to a 4-1 lead just over 12 minutes into the game. But Andrew Brunette scored a power-play goal on a deflection with five minutes to go in the first to spark the Caps' comeback.

Allison tied it 4-4 at 2:26 of the second with his second of the game and Dale Hunter put a shot through Grant Fuhr's pads for the game winner.

Kings 0, Flames 0 In Los Angeles, the Kings and Calgary skated to the NHL's first scoreless tie in two seasons.

The Kings' Stephane Fiset made 35 saves and Calgary's Trevor Kidd turned back 26 shots as each picked up his second shutout of the season and eighth career shutout.

Canucks 2, Penguins 1 Mike Ridley had a goal and an assist and Corey Hirsch made 26 saves as Vancouver dealt Pittsburgh its seventh straight road loss.

Martin Gelinas and Ridley beat Ken Wregget in the first period to stake Vancouver to a 2-0 lead. Jaromir Jagr scored Pittsburgh's lone goal at 4:11 of the second period. Hirsch stopped 10 Penguins shots in the final period.

Alphabet Soup Holds Off Cigar in Breeders' Cup

By Andrew Beyer
Washington Post Service

TORONTO — Cigar's illustrious career ended in an anticlimactic and disheartening fashion, when a little-regarded horse named Alphabet Soup won the $4 million Breeders' Cup Classic at Woodbine Racetrack.

The defending champion made a desperate rally in the stretch on Saturday, but this was not the same irresistible force that had swept to 16 straight victories. Cigar could not overcome the ground he lost racing wide on both turns, and he finished third in a four-horse battle to the wire.

His loss was a disappointing end to a Breeders' Cup that had been largely devoid of heroic performances and memorable moments, and was characterized by snafus. While everyone had worried that disaster might be wrought by Ricks Natural Star, the hopeless claiming horse entered in the Turf, he caused no problems: He tired and finished last, without getting in anyone's way, as Pilsudski won that $2 million event.

Other things, however, went embarrassingly wrong:

•The Woodbine tote system was paralyzed when its computer could not handle a wager of $5,000 in U.S. currency. It failed for 41 minutes, leaving bettors without odds or payoff information.

•The field in the Sprint was loaded in the incorrect post position order.

•The most significant flaw was the racetrack. The surface was extremely biased, giving a significant advantage to horses racing on or near the rail. Of eight dirt races, seven were won by horses who did most of their running inside. Only Alphabet Soup won with an outside trip, and he was aided by the fact that Cigar was even wider.

Jerry Bailey, Cigar's jockey, usually finds a way to take advantage of such a bias, but after breaking from Post Position 7 he never managed to save ground. As the California speedster Atticus raced to the lead, with the Belmont champion, Louis Quatorze, pursuing him, Cigar was parked three-wide around the first turn, just outside Alphabet Soup and his jockey, Chris McCarron.

As the field approached the final turn, the 101-to-1 shot Mt. Sassafras shot through on the rail, inside Louis Quatorze, as Alphabet Soup moved three-wide and Cigar was outside everybody.

For a moment it appeared that the odds-on favorite was going to surge past them all. For most of his career he would have blown horses of this quality off the track. He briefly got his nose into second place, but Alphabet Soup was stronger in the final yards, and Louis Quatorze fought back to finish second.

After the Classic, Cigar's trainer, Bill Mott, indicated that the star's career was over, after 33 starts, 19 victories and purse winnings of $9,999,815.



Bill Sikes/The Associated Press

Chris McCarron riding Alphabet Soup between Cigar, left, and Louis Quatorze to a Breeders' Cup victory.

THIS WEEK ON EUROSPORT

The final ATP Mercedes 'Super 9' Series of the year comes from Paris and it brings together one of the strongest fields of the year. Who will come out on top as Sampras, Agassi, Becker and Muster head the field ?

Tennis
28 Oct - 3 Nov, LIVE
The ATP, Open de la Ville, Paris
Both Agassi and Becker need ranking points to qualify for the ATP Tour World Championship. Prepare for fireworks.

Formula One
3 November
The 1996 F1 Season Review
A four hour look back at a momentous season including exclusive footage with the new World Champion, Damon Hill.

Athletics
3 November, LIVE
The New York Marathon
One of the great races of the world follows a course through all of the five boroughs of the City of New York.

Skiing
2 November
The Alberto Tomba Story
An exclusive portrait of the worlds greatest ever skier at home and in action.



Eurosport, Europe's No.1 sports TV channel, covering the best action from Europe and around the world, is available via cable and satellite.

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SOCCER Man. United Thrashed Again p.18 **RACING** Cigar Loses Last Race p. 19 **TENNIS** Becker Blitzes Sampras p.18

TOMORROW: STYLE

Herald International Tribune
SPORTS
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WORLD ROUNDUP

Riding High: Tenacious Yankees Clinch Series



Kimimasa Mayama/Reuters

Mauro Gianetti of the Polti team winning the Japan Cup.

Museeuw Crowned

CYCLING Switzerland's Mauro Gianetti won the final leg of the World Cup cycling championship on Sunday, beating France's Pascal Herve by 23 seconds for the Japan Cup in Utsunomiya.

John Museeuw finished 26th, but clinched the overall title for the 11-race World Cup for the second year in a row.

Gianetti finished the 112.2-mile course in 4 hours, 31 minutes, 1 second.

Herve was second in 4:31:24. Museeuw finished in 4:40:54. His closest challenger for the overall title, Andrea Ferrigato of Italy, finished 25th on Sunday in 4:40:53. *(AP)*

• Jeannie Longo of France broke the women's one-hour world record at Mexico City's Olympic Sports Center track, completing 145 laps for a total of 48.159 kilometers. Yvonne McGregor of Britain set the previous mark of 47.411 in 1995. *(WP)*

Rain Delays PGA Finale

GOLF Heavy rain Sunday forced postponement of the fourth round of the PGA Tour Championship in Tulsa, Oklahoma. Weather permitting, the final round was to be played Monday, otherwise the tournament would be shortened to 54 holes and Tom Lehman be declared the winner.

Lehman had shot 64 in the third round Saturday to lead by nine strokes over Vijay Singh and Brad Faxon. A victory would give Lehman the PGA of America player-of-the-year award — determined on a points system — and the Vardon Trophy for lowest scoring average.

The $540,000 first-place check would give him $1,780,159 for the year, surpassing Phil Mickelson on top of the money list if Mickelson finishes lower than third. After the third round he was tied for seventh. *(AP)*

Young Star Ages Rapidly

CRICKET The Pakistan Cricket Board said Sunday that medical tests suggest that Hasan Raza may not be the youngest ever Test player after all.

Raza said he was 14 years and 227 days old when he made his test debut against Zimbabwe in Faisalabad last week. But the board released a report which suggested that an X-ray of the Karachi-born youngster's left wrist indicated he was at least 15. *(Reuters)*

Natal Wins Currie Cup

RUGBY UNION Andre Joubert scored two tries in the last 15 minutes to give Natal, the defending champion, a 33-15 victory over Transvaal in the Currie Cup, South Africa's national championship, on Saturday.

For Atlanta, A Frustrating And Sour Loss

By Mark Maske
Washington Post Service

NEW YORK — Baseball's most storied franchise is again its World Series champion. The New York Yankees completed a season of remarkable tenacity and a stunning World Series turnaround for the 23d title in their history — and first since 1978 — with a 3-2 triumph over the Atlanta Braves on Saturday in front of 56,375 at Yankee Stadium.

The Yankees turned a three-run third inning against Atlanta's starter, Greg Maddux, into their fourth straight victory after being brushed aside by the Braves in the first two games of the Series.

New York got a run-scoring triple by Joe Girardi and run-scoring singles from Derek Jeter and Bernie Williams, and rode the pitching of the starter Jimmy Key and four relievers.

"This team was just tough," said Wade Boggs, the third baseman, in the Yankees' jubilant post-game clubhouse. "We never gave you an inch. We battled. We stayed right in your face. You had to beat us. There were a lot of times we could have folded this year, and we never did."

Key got the victory with a 5⅓-inning, five-hit, one-run effort. It was a contentious, frustrating evening full of squandered opportunities for the Braves. They stranded two runners at third base and three at second, and they managed to squeeze only one run out of a bases-loaded, one-out chance against Key in the fourth inning. Key issued a run-scoring walk to Jermaine Dye but got Terry Pendleton to ground into an inning-ending double play.

The Braves also were victimized by a couple of questionable umpires calls, and Bobby Cox became the sixth manager to be ejected from a World Series game when he was tossed by the third base umpire, Tim Welke, in the fifth.

John Wetteland, the Series' most valuable player, worked the ninth for the Yankees for his fourth save. Wetteland yielded a run on singles by Ryan Klesko, Pendleton and Marquis Grissom. But on a full-count pitch, he got Mark Lemke to pop out to the third baseman Charlie Hayes in foul territory with runners at first and second to set off a joyouson-field celebration.

"It was definitely filled with its anxiety," Wetteland said of the ninth. "I was just trying to concentrate on one out at a time. It just seemed like with every pitch I was digging a little deeper hole. I just had to reach back and give it one last push."

Atlanta scored two runs in the final 2⅓ innings of the Series after carrying a 6-0 lead into the sixth inning of Game 4 — which became a series-turning, 8-6 defeat. The Yankees became the first team to win four consecutive Series games after losing the first two at home. Maddux took the loss, allowing three runs on eight hits in 7⅔ innings.

The Braves were left with only one championship to show for four World Series appearances since 1991, but the Yankees could savor a season as sweet as they come. They had the sport's heftiest player payroll, yet they managed to turn themselves into the likable underdog with a blue-collar approach.

They were baseball's best team in close, test-of-wills games, mostly because of their deep bench and virtually infallible bullpen. They went 8-0 on the road during the postseason. And they gave Torre a victory in the first World Series of his baseball life.

"This is dreamland for me," Torre said. "With everything that's happened, these last 24 to 48 hours have been unbelievable for me."

Everything was perfect for Torre, except that he missed his clubhouse telephone call from President Bill Clinton.

"I was too late getting to the phone," Torre said, "and he'd gone off to have a sandwich or something."

Maddux started by retiring the first six Yankees batters and getting ahead in the count to Paul O'Neill leading off the third. O'Neill took a check swing at a 1-2 pitch. He seemed to go around far enough for Maddux to get a strike-three call, but Welke ruled no on the appeal. O'Neill yanked Maddux's next pitch into the right-field corner for a double.

Mariano Duncan moved O'Neill to third with a groundout. Girardi went first-pitch-swinging and sent a drive over Grissom's head in center field. The catcher ended up on third. Jeter slapped a line-drive past the shortstop Jeff Blauser, with the infield in, to make it 2-0, and stole second base. Maddux retired Boggs on a fly ball, but Williams dumped a liner in front of Grissom and Jeter scored easily as Grissom unleashed a throw high over the catcher Javier Lopez's head.

Atlanta got within 3-1 in the fourth, but could have had more. With the bases loaded, Pendleton sent a grounder directly to Jeter at shortstop for an easy inning-ending double play.

With one out in the fifth, Grissom got a base hit through the middle. He tried to take second base when a pitch by Key to Lemke got away from Girardi. Television replays showed clearly that Grissom beat Jeter's tag. Umpire Terry Tata called Grissom out and Grissom had to be restrained by the third-base coach Jimy Williams. Then Cox took over. He argued with Tata, then was on his way to the Braves' dugout when he pointed at Welke and yelled at the umpire.

■ Fehr Says Selig Holds Up Deal

Donald Fehr, the head of the Major League Baseball Players Association, said Saturday that the only thing standing in the way of a labor agreement between the union and the team owners was an endorsement by Bud Selig, the acting commissioner, The Washington Post reported.

"The deal is reached," Fehr said on the field at Yankee Stadium before the final Series game. "Bud just has to decide if he wants it. If he doesn't want it, he doesn't want it. If he wants it, he should let someone know."

Fehr and the owners' negotiator, Randy Levine, essentially completed a deal Thursday in Atlanta that is virtually identical to the settlement they crafted in August. But a group of hard-line owners held up the process that month because it objected to some of the concessions made by Levine, and Selig continues to proceed cautiously. Time is running short. Eligible players may begin filing for free agency now that the World Series is completed. The agreement must be approved by 21 of the 28 owners to be put into effect.



Ron Frehm/The Associated Press

Wade Boggs taking a ride around the outfield on a New York police horse after the Yankees won the World Series.

NEW YORK 3, ATLANTA 2

Atlanta	AB	R	H	BI	BB	SO	Avg.
Grissom cf	5	0	2	1	0	0	.444
Lemke 2b	5	0	0	0	0	0	.231
Cp.Jones 3b	4	0	1	0	0	0	.286
McGriff 1b	3	1	0	0	1	0	.300
J.Lopez c	3	0	1	0	1	2	.190
A.Jones lf-rf	3	0	1	0	1	2	.400
Dye rf	1	0	0	1	1	0	.118
a-Klesko ph-lf	2	1	1	0	0	0	.100
Pendleton dh	3	0	1	0	1	0	.222
1-Belliard pr	0	0	0	0	0	0	—
Blauser ss	3	0	1	0	0	0	.167
b-Polonia ph	1	0	0	0	0	1	.000
Totals	33	2	8	2	5	5	

New York	AB	R	H	BI	BB	SO	Avg.
D.Jeter ss	4	1	1	1	0	1	.250
Boggs 3b	3	0	0	0	0	0	.273
Hayes 3b	1	0	0	0	0	0	.188
B.Williams cf	4	0	2	1	0	0	.167
Fielder dh	4	0	1	0	0	0	.391
T.Martinez 1b	3	0	0	0	0	1	.091
Strawberry lf	2	0	0	0	1	1	.188
O'Neill rf	3	1	1	0	0	0	.167
Duncan 2b	1	0	0	0	0	0	.053
Sojo 2b	2	0	1	0	0	0	.600
Girardi c	3	1	2	1	0	0	.200
Totals	30	3	8	3	1	3	

Atlanta	000	100	001—2 8 0
New York	003	000	00x—3 8 1

a-popped out for Dye in the 6th.
b-struck out for Blauser in the 9th.
1-ran for Pendleton in the 9th.
E—Duncan (2).
LOB—Atlanta 9, New York 4. 2B—Cp.Jones (3), Blauser (1), O'Neill (2), Sojo (1). 3B—Girardi (1). RBIs—Grissom (5), Dye (1), D.Jeter (1), B.Williams (4), Girardi (1). SB—D.Jeter (1), B.Williams (1). CS—Pendleton (1).
GIDP—Pendleton, D.Jeter, O'Neill. Runners left in scoring position—Atlanta 5 (Lemke 2, Klesko, Pendleton 2); New York 3 (Fielder 2, Girardi).
Runners moved up—McGriff, Duncan. DP—Atlanta 2 (Cp.Jones, Lemke and McGriff), (McGriff, Blauser and McGriff); New York 1 (D.Jeter and T.Martinez).

Atlanta	IP	H	R	ER	BB	SO	NP	ERA
Maddux 1-1	7⅔	8	3	3	1	3	103	1.72
Wohlers	⅓	0	0	0	0	0	4	6.23

New York	IP	H	R	ER	BB	SO	NP	ERA
Key W, 1-1	5⅓	5	1	1	3	1	92	3.97
Weathers 1/3	0	0	0	1	1	0	8	3.00
Lloyd 1/3	0	0	0	0	0	3	0	0.00
M.Rivera	2	0	0	0	1	1	22	1.59
Wetteland S, 4-1	3	1	1	0	2	2	25	2.08

Inherited runners-scored—Wohlers 1-0, Weathers 1-0, Lloyd 2-0.
Umpires—Home, Davis; 1B, Evans; 2B, Tata; 3B, Welke Left, Ripley; Right, Young.

YANKEES: *Victory From the Heart Clinches a 23d World Series*

Continued from Page 1

chances, last chances, teamwork, redemption.

For example, Joe Torre was fired as *Cardinals manager in '95.*

"I thought that was the last stop," said the man who made nine all-star teams and won an MVP award but never, until Saturday night, won a World Series ring. "When the Yankees called me, people said how hard it would be to work for George Steinbrenner. There may be some distraction, but you know the money will be spent. You have a chance to win. The downside could never be lower than the upside was up."

Zimmer quit the game in '95, literally leaving the Colorado Rockies bench in mid-game. This year, Torre called. They were instant soul mates — two of the sweetest Dutch uncles in the game, one with a metal plate in his head, the other with a menacing face that belied his gentle nature.

Up and down the Yankees bench in this Series, we saw players looking for a fresh start. Cecil Fielder finally escaped the 100-loss doldrums of Detroit to take his turn as the cleanup hitter on a champion. Boggs, assumed to be creaky and far past his prime at the age of 38, drove home the game-winning run in Game 4 with a 10th-inning walk. Bernie Williams, accused of having — you guessed it — no heart, finally blossomed, although only after general manager Bob Watson overrode Steinbrenner, who wanted to trade the outfielder who is now the best of all Yankees.

From Wetteland in his filthy old cap to versatile catcher Joe Girardi to spunky showboat Jim Leyritz — whose three-run homer in Game 4 turned this Series around — the Yankees epitomized grit, rather than their $60 million payroll.

"Everybody talks about modern players and they mention money and statistics," said Torre. "The most refreshing thing about this team is that the only number they cared about was the number of W's we had."

The Braves and Greg Maddux might have had some chance if they'd needed only to beat Jimmy Key and the Yankees. But how do you beat heart transplants and brotherhood, old Yankees tradition and new Yankees grit, Big Apple intimidation and Naked City schmaltz? Outside the Yankees' entrance before this game was a fan with a sign: "Joe, Clinch The Series Tonight. Put Less Stress on Frank's Heart."

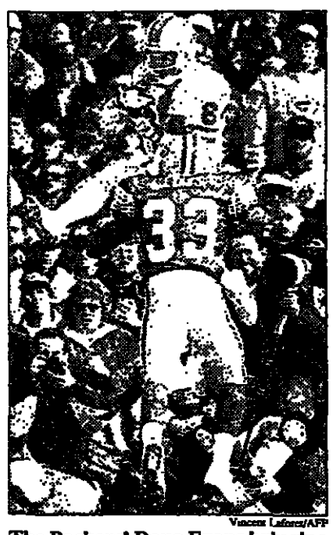
It wasn't just that the Yankees — a worldwide symbol of this city's power — won a Series for the first time since 1978. It was the way the Yankees won that made this city swell with pride. They won by becoming the third team in Series history to come back from two opening defeats at home. They found a place for baseball citizens recovering from years in disrepute, such as Strawberry.

By in the final game, the Braves understood that a title that seemed in their grasp had slipped away. Beating the ultimate New York City human interest sports story wasn't about to happen.

"If somebody had to beat us and Joe Torre was the guy, it wouldn't bother me one bit," said Cox.

Oh, it should bother the Braves some. But perhaps not for too long. Not if their hearts are in the right place.

Third-Choice 49er QB Beats Houston



Vincent Laforet/AFP

The Packers' Doug Evans bringing down Tampa Bay's Robb Thomas.

The Associated Press

HOUSTON — Steve Young suffered a concussion on the third play of the game Sunday and was replaced by Jeff Brohm, who completed a 20-yard touchdown pass to Terrell Owens with 4:27 to play, rallying the San Francisco 49ers to a 10-9 National Football League victory over the Houston Oilers.

Defensive end Chris Doleman took over in the fourth quarter with a third-down sack and an interception on the Oilers' final offensive play. Safety Merton Hanks broke up a fourth-down pass with 2:18 to play.

Al Del Greco kicked field goals of 38, 56 and 39 yards and had the Oilers leading 9-3 until Brohm finally got the 49ers going with a 49-yard completion to running back Terry Kirby to set up the go-ahead score.

Facing third-and-7 from the Oilers 20, Brohm hit Owens on the sideline, and the receiver broke free from cornerback Darryll Lewis and danced into the end zone.

Last week, Young came off the bench despite a painful groin injury, and San Francisco scored the winning touchdown against Cincinnati. Against Houston, Young threw a 9-yard completion to Jerry Rice, was sacked by Anthony Cook, scrambled to his right and was tackled by linebacker Michael Barrow and Joe Bowden.

Barrow and Young butted helmets. Young was helped from the field. Young put on his helmet and tried to reenter the game on the 49ers' next possession, but he was taken from the field.

The 49ers defense saved the day in the frantic fourth quarter, culminating with Doleman's interception at the Oilers 15 after Junior Bryant batted Steve McNair's pass. The 49ers ran out the clock.

Earlier in the fourth period, Doleman pushed through and sacked McNair for a 10-yard loss on third-and-2 at the 49ers 30.

Brohm, a free agent signing who had completed two of four passes this season, was forced into the game because Elvis Grbac, the 49ers' backup quarterback, was inactive with a shoulder injury.

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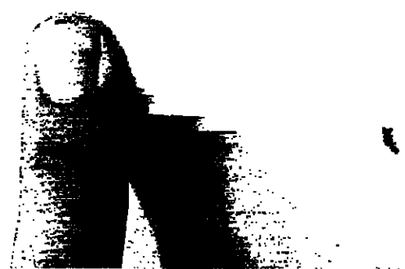
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